NOTICE OF TWENTY NINETH (29TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINETH (29TH) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF KEERTANA FINSERV PRIVATE LIMITED (FORMERLY KNOWN AS RAJSHREE TRACOM PRIVATE LIMITED) IS SCHEDULED TO BE HELD AT A SHORTER NOTICE ON WEDNESDAY, 21ST DAY OF AUGUST 2024 AT 05.00 P.M (IST) TO TRANSACT THE FOLLOWING BUSINESSES VIA VIDEO CONFERENCE / OTHER AUDIO-VISUAL MEANS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, and the Reports of Board of Directors and Auditors thereon.

2. To approve appointment of Statutory Auditor(s) and fix their remuneration thereof

   To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 141 , 142 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including all the other applicable rules made thereunder (and subject to any enactment, re-enactment or amendment thereof) and RBI circular Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Circular"), the approval of the members be and is hereby accorded to appoint G V C A & Associates (formerly known as G C Reddy & Associates), Chartered Accountants, (Firm Registration No. 010074S), Hyderabad, as the Statutory Auditor to hold the office for one consecutive year from the conclusion of 29th Annual General Meeting to conclusion of 30th Annual General Meeting i.e. the AGM to be held in Year 2025 at an annual remuneration/fee plus taxes as applicable from time to time as mutually agreed with the Statutory Auditors and the Board of Directors of the Company.

   RESOLVED FURTHER THAT any of the member, be and is hereby empowered to take on record the Eligibility Certificate and consent received from the Statutory Auditor under Section 139(1) of the Companies Act 2013 and Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and Form B under RBI circular.

   RESOLVED FURTHER THAT any Director or the Company Secretary, be and are hereby severally empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as and when required".

SPECIAL BUSINESS:

3. Approval for conversion of the Company To Public Limited Company

   To consider and if thought fit, to pass with or without modification, the following resolution to be passed as Special Resolution:

   "RESOLVED THAT pursuant to section 14 and 18 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of Registrar of Companies, the status of the Company be and is hereby converted from Private Limited Company to Public Limited Company.

RESOLVED FURTHER THAT subject to the approval of Registrar of Companies, the name of the Company shall stand changed from "**KEERTANA FINERV PRIVATE LIMITED**" to "**KEERTANA FINSERV LIMITED**", by deletion of the word 'Private' from the name of the Company, and that the new name shall substitute the existing Company name wherever it appears in Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to file the necessary documents / form(s), make applications with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto

4. Adoption of new set of Articles of Association in compliance with the provisions of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification, the following resolution to be passed as Special Resolution:

RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force), the new set of Articles of Association (which no longer includes the restrictions and limitations which are required to be included in the articles of a private company under Companies Act, 2013) is hereby approved and adopted in accordance with the provisions of the Companies Act, 2013 in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to file the necessary documents / form(s), make applications with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board of Directors of
Keertana Finserv Private Limited

Sd/-

Komal Ratlani
Company Secretary
M.No: 69063

Date: 14.08.2024
Place: Hyderabad

NOTES:

a. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

b. In accordance with the Ministry of Corporate Affairs, Government of India vide General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 the latest being the General Circular no 09/2023 (MCA Circulars"), electronic copies of the Annual Report for Financial Year ("**FY**") 2023-24 and AGM Notice and Explanatory Statement along with instructions to attend the AGM through video-conferencing / other audio-visual means (VC/OAVM) are being sent by e-mail to those Members, trustees for the debenture-holder of any debentures issued by the Company, holders of Non-Convertible Securities and to all other persons so entitled whose e-mail IDs have been made available to the Company / Registrar and Transfer Agent (RTA) i.e. Link Intime India Private Limited or with Depository Participants ("DP") unless the Member has specifically requested for a hard copy of the Annual Report. Members may note that the Annual Report for the FY 2023-24 and the AGM Notice along with Explanatory Statement will also be available on the Company's website at https://keertanafin.in/investors/Financial_Reports and on the website of BSE Limited at www.bseindia.com.

c. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

d. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to submit their questions in advance from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number via email at secretarial@keertana.co on or before Tuesday, August 20, 2024. The same will be replied by the Company suitably.

e. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum for the AGM under Section 103 of the Act.

f. The venue of the AGM shall be deemed to be the Administrative Office of the Company at Plot No. 31 & 32, Ramky Selenium Towers, Tower A, Financial District, Nanakramguda, Hyderabad, Telangana-500032.

g. The Members desiring to inspect the documents referred to in this Notice and other statutory registers are requested to send an email to secretarial@keertana.co. mentioning their name, folio no., client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card. An extract of such documents would be sent to the Members on their registered email address.

h. Members holding shares in physical mode (if any) are requested to register their email IDs with the Registrar & Share Transfer Agents of the company or to the Company by emailing their requests at secretarial@keertana.co and Members holding shares in demat mode are requested to register their email ID's with their respective DP in case the same is still not registered. Members are also requested to notify any change in their email ID or bank mandates or address to the company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.

i. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements In which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection in the Physical by the members of the Company at Adminstrative office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Sunday) up to the date of Annual General Meeting or electronic mode when requested by the Members to the Company Via Email at secretarial@keertana.co and will also be available during the Annual General Meeting in electronic mode.

j. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

k. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. Blank forms will be supplied on request.

l. When a poll is required or demanded to be taken during the meeting on any resolution, the members shall give their assent/dissent by emailing at secretarial@keertana.co.

m. The web-link of the meeting shall be provided separately. To access and participate in the meeting, shareholders and other participating stakeholders are requested to install Zoom application and then click on the link provided.

n. In case of any assistance with regards to using the technology before or during the meeting, please contact on the Helpline number given below:
+91 9281055234

By Order of the Board of Directors of
Keertana Finserv Private Limited

Sd/-

Komal Ratlani
Company Secretary
M.No: 69063

Date: 14.08.2024
Place: Hyderabad

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETING

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying AGM Notice

Item 3: Approval for conversion of the Company to Public Limited Company

The Company was incorporated on February 14, 1996, as a Private Limited Company, which imposed certain restrictions on the Company, limiting its scope of operations and growth. The Board has considered that, for the purpose of expanding the Company's business activities, it is necessary to convert its constitution from a Private Limited Company to a Public Limited Company to enhance public confidence. Accordingly, the required changes to the Memorandum and Articles of Association of the Company have been prepared for approval by the members.

The Directors recommend the Resolution set out in the Notice for the members' approval as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Item 4: Adoption of new set of Articles of Association in compliance with the provisions of the Companies Act, 2013

The Board intends to inform the member of the Company that upon the conversion of Company from Private Limited to Public Limited Company, various provisions which are applicable to private company may have to be deleted and Articles of Association of the Company needs to be re-aligned as per the provisions applicable to the Public Company under the Companies Act, 2013. Accordingly, it is proposed to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft regulations contained in the new Articles of Association of the Company are presented to its members and require of the members of the Company approval by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

By Order of the Board of Directors of
Keertana Finserv Private Limited

Sd/-

Komal Ratlani
Company Secretary
M.No: 69063

Date: 14.08.2024
Place: Hyderabad

Keertana Finserv Private Limited

(Formerly known as Rajshree Tracom Private Limited)

ANNUAL REPORT
2023-24

TABLE OF CONTENT

CORPORATE INFORMATION

Company Name
Keertana Finserv Private Limited. (Formerly known as Rajshree Tracom Private Limited)

Corporate Identity Number
U65100WB1996PTC077252

RBI Registeration Number
B.05.03970

Board of Directors
Mrs. Padmaja Gangireddy
Managing Director
DIN: 00004843

Mr.Vijaya Sivarami Reddy Vendidandi
Director
DIN: 03169778

Mr. Vara Prasad Chaganti
Independent Director
DIN: 09425725

Mr. Raghu Venkata Harish
Independent Director
DIN: 06792543

Mr. Mahesh Sivalingappa Payyanavar
Independent Director
DIN: 00230347

Chief Financial Officer
Mr. Prakash Bhawnani

Company secretary
Ms. Komal Ratlani
secretarial@keertana.co
Mobile : 9281 05 5234

Chief Compliance Officer
Ms. Amreen Gulnaz

Statutory Auditor
M. Anandam & Co
Reg. No.: 000125S
Partner Name: S Venkateswarlu
Membership No.: 022790
(Till financial year FY24)

M/s G C REDDY & ASSOCIATES
Reg. No.: 010074S
Partner Name: VIJENDRA GADDAM
Membership No.: 220735

Registered Office
Office No 919, 9th Floor, 4A, Regus Granduer, Abanindranath ThakurSarini, Elliot Road, S.O, Kolkata, West Bengal – 700001

Corporate Office
Plot No 31 & 32, Ramky Selenium Towers, Tower- A, Financial District, Nanakaramguda, Hyderabad, Telangana - 500032

Website
https://keertanafin.in/

Registrars and Transfer Agents
Link Intime India Pvt. Ltd

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai City, Maharashtra - 400083
www.linkintime.co.in
Email: debtca@linkintime.co.in
Contact Person: Amit Dabhade
amit.dabhade@linkintime.co.in

Debenture Trustee
Catalyst Trusteeship Limited

GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony, (Right), Kothrud, Pune, Maharashtra - 411038, India.
Phn no.: 020 66807200
Email -mumbai@ctltrustee.com
Contact person: Mr. Umesh Salvi, Managing Director

Axis Trustee Services Limited

The Ruby I 2nd Floor I SW I 29 Senapati Bapat Marg I Dadar West, Mumbai - 400 028

Mobile +91 9757426050

About Keertana

Keertana Finserv Pvt. Ltd. (KFPL or 'Keertana') is a new generation Inclusive and Rural focused financial Institution that leverages cutting edge technology to enable access of credit across the lifecycle of the borrower in an affordable and convenient way. KFPL's journey began under the remarkable leadership of Mrs. Padmaja Reddy and her exceptional team. Together, they bring over a century of collective experience in the field of small business lending. Mrs. Reddy after having spent over 2 decades in building one of India's leading Microfinance Institution, Spandana Sphoorty Financial Limited, parted ways to focus on evolving enterprise business segment whose credit demand is largely unmet. This segment is traditionally un-served by banks, underserved by NBFCs, and beyond the serviceable limits of NBFC-MFIs. The focus areas chosen were Gold Loans, Micro Enterprise lending, both secured and unsecured.

The idea for Keertana was born in November 2021, process of acquiring, Rajshree Tracom Private Limited, registered in 2001 was initiated. Subsequently, KFPL acquired approximately Rs. 215 crore worth of Gold Loan portfolios and Micro-Enterprise portfolios from Spandana Mutual Benefit Trust (SMBT) & Spandana Rural and Urban Development Organization (SRUDO). Following approvals from regulatory authorities, Rajshree Tracom's name was changed to Keertana Finserv Private Limited.

Keertana set out on a path to become a multi-product NBFC, driven by a vision to provide diverse and comprehensive financial solutions tailored to the varying needs of our customers. From the initial stages of building financial stability with Micro Enterprise Loans (MEL) to addressing immediate needs with Gold Loans during emergencies, and finally, realizing long-term aspirations of the borrowers with Loan Against Property or Home Loans, KFPL has product offerings to cater to the complete lifecycle of borrowers.

We invite you to embark on a journey with Keertana wherein you'll not only discover our financial performance but also the inspiring stories of the lives we've touched. We look forward to your continued support as we enter a new chapter, composing a future filled with financial empowerment.

GEOGRAPHIC PRESENCE

KFPL has strategically established a strong network of branches in various states. Company's physical presence enables accessibility and availability, offering customers guidance, support, and expertise throughout the loan process. Company's physical presence reflects its commitment to providing a holistic experience, blending technological benefits with the warmth and expertise of its team members. We have distinct set of branches offering exclusive products.

286 BRANCHES

6 STATES

42 DISTRICTS

PRODUCTPORTFOLIO

GOLD LOAN

Secured Loan Against Gold Ornaments

Ticket Size
₹1K - ₹1CR

Tenure
3-12 Months

MICRO ENTERPRISE LENDING

Unsecured Loans to Women, Backed By Group Guarantee

Ticket Size
₹20K - ₹1L

Tenure
12-24 Months

LOAN AGAINST PROPERTY

Secured Loans to Individuals having Irregular Income

Ticket Size
₹3L-₹1CR

Tenure
3-12 Years

HOME LOAN

Affordable Housing Finance Solutions to People of tier 2 and tier 3 towns

Ticket Size
₹3L-₹10CR

Tenure
3-12 Years

MSME LOAN

Unsecured Loans to Individuals or Businesses to Meet Personal or Business Financial Needs

Ticket Size
₹50K- ₹2L

Tenure
12-24 Months

PERSONAL LOAN

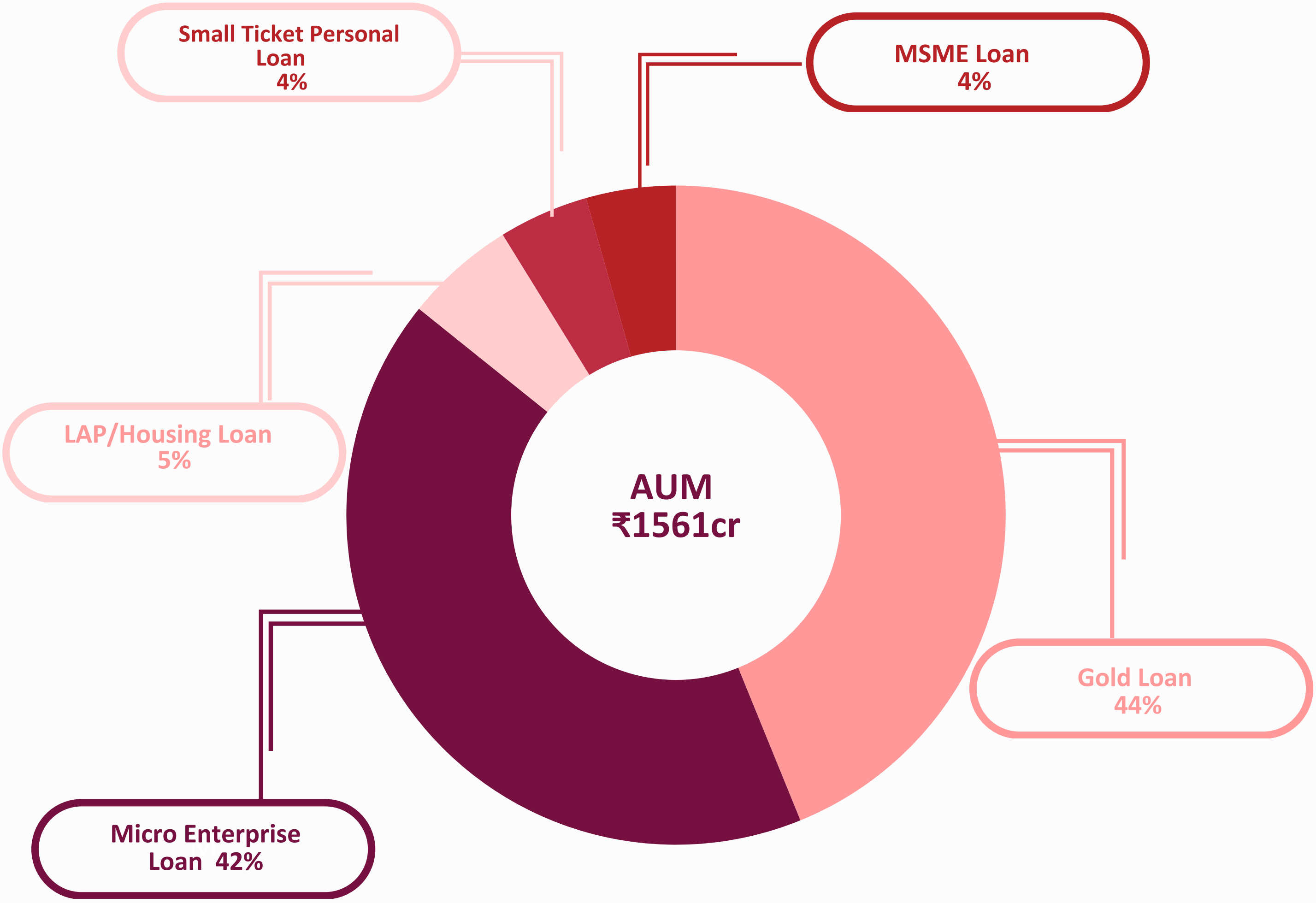
Small Ticket Loans to Existing Customers

Ticket Size
₹1K-₹5L

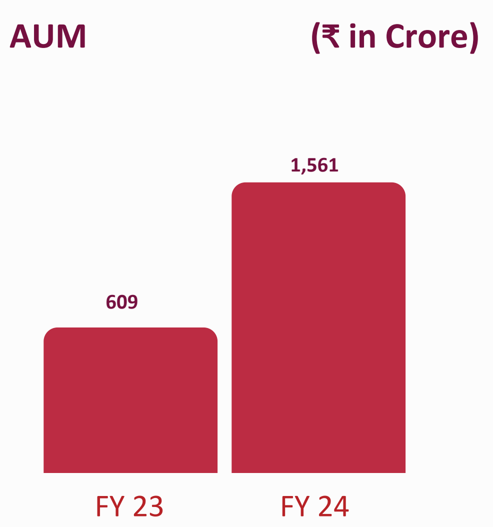
Tenure
3-12 Months

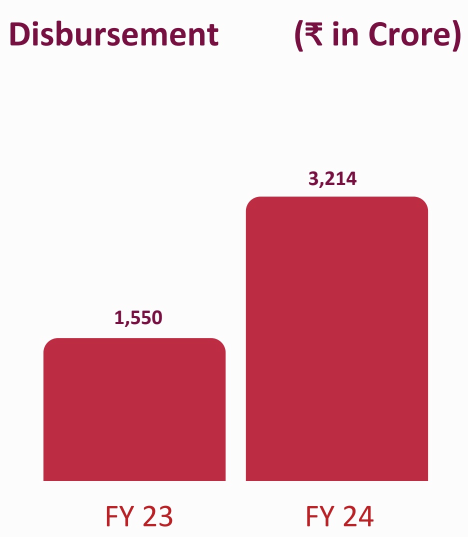
Keertana

PORTFOLIO MIX

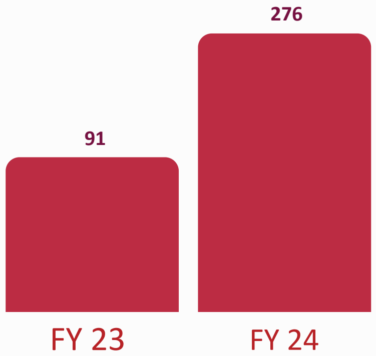


PERFORMANCE MATRIX

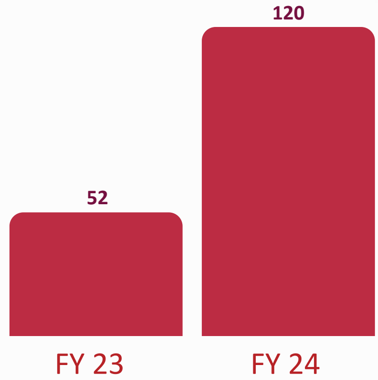




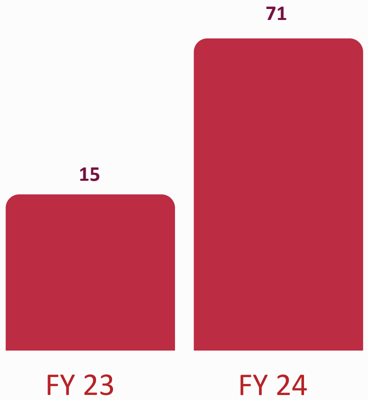
Total Income (₹ in Crore)



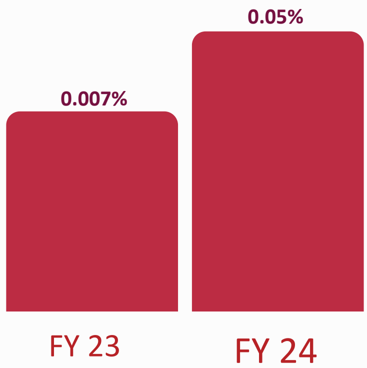
Net Interest Income (₹ in Crore)



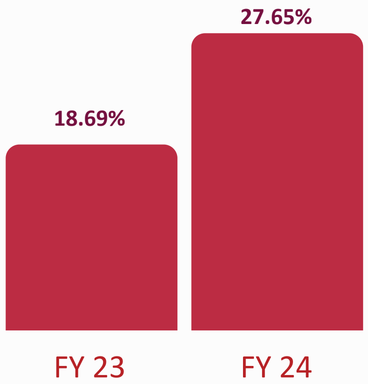
Profit After Tax (₹ in Crore)



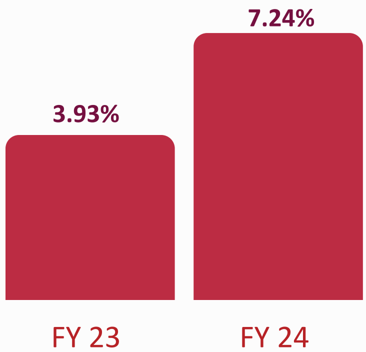
Asset Quality 90+ DPD (in %)



Return of Equity (in %)



Return on Assets (in %)



MESSAGE FROM MD

I am glad to share that as a 2-year-old organization, Keertana has grown to significant AUM of ₹1561 Crore as of March 2024 (year-on-year growth of 1526%) and has moved from base layer to middle layer NBFC as defined by Reserve Bank of India, Scale based regulations. As I reflect on the last two years journey of the company, I am pleased to share with you the significant strides we have made towards our mission of providing a comprehensive multi-product franchise offering various loan products to customers in rural and semi-urban areas across 42 districts through its 286 branches.

I am particularly proud to highlight the remarkable growth we have witnessed in our Gold loan book as we grew to ₹686 Crore. This growth is a testament to the strategic investments we have made in establishing robust processes, leveraging cutting-edge IT solutions, and embracing the latest technologies to mitigate operational risks and enhance organizational efficiency. I am proud to state that we have built Industry leading technology with AI tools doing live check of Borrowers during pledge release.

Keertana's endeavour is to build a more stable and sustainable Institution. We endeavour to become a one-stop shop for financial requirements of our borrowers and expand across the three verticals, i.e. Gold Loan, Micro Enterprise Loans and Housing loan/LAP. All the three verticals are operated through different set of branches catering to specific products. This deliberate approach ensures that we maintain rigorous product-specific controls, with a sharp focus on underwriting standards and the implementation of best practices. This not only bolsters our risk management capabilities but also drives efficiencies through optimized processes.

Despite the inherent challenges of balancing expansion and efficiency, we embarked on this journey at the beginning of the year with determination and resolve. The focus area for Keertana was to continuously expand the branch network while improving the field efficiency. I am proud to report that not only we expanded our branch network by 55%, but we have also significantly enhanced efficiency. Our Asset Under Management (AUM) per branch has increased by 66% (₹5.46 Crore), showcasing our commitment to sustainable growth while optimizing operational performance. We also reduced our Opex from 7% to 5.12% during the year and are looking forward to reduce it further in the coming years.

Keertana recorded significantly improved revenue and profits before tax during FY24 of ₹268 Crore and ₹89 Crore respectively. Continuous focus on bringing down the borrowing costs also contributed to it. Today, we have 40 lender partners within such short span of time and have generated good market for our NCD issuances.The incredible support from bankers to retail investors have boosted our confidence further as we tap this alternative source of funding to the extent possible. Looking forward, we shall continue to focus on Term Loans, retail NCDs, PTCs and on-boarding larger institutions.

Rating agency ICRA upgraded our long term credit rating from [ICRA] BBB- (Stable) to [ICRA] BBB (Stable) in the month of July'23 while we continue to be rated [CRISIL] BBB.

As a result of consistent focus on operations and various system-based controls, our asset quality continues to be an industry defining one. The Gross and Net PAR >90 as of 31st March'24 were 0.17% and 0.05% respectively.

In terms of the equity commitment, I am committed to fortifying Keertana's financial position by infusing equity ahead of schedule. This proactive approach ensures ample capitalization and facilitates growth capital availability. Looking ahead, I'm confident that the growth forecast for the coming year will be fully supported by me and my family and is further funded by internal accruals.

We thank our customers for continuously preferring us for their financial requirements. We are glad that we are able to positively impact the lives of 2.22 Lakhs households and this motivates us to reach out to more people. We can't thank our employees enough for all the hard work and dedication they have demonstrated in such short span of time. We are also thankful to our lenders and investors who continuously support us in furthering our financial inclusion goal.

Just like the rhythmic pattern of a Keertana (Song sung in the glory of God) needs reverence and devotion, we understand that the sustainable institutions are built on the foundation of execution capability, transparency, and wholehearted devotion to their cause. We will continue to practice our values and look forward to support from all our stakeholders as we enter the organization's 3rd year.

Padmaja Reddy
Founder & Managing Director

BOARD MEMBERS

Mrs. Padmaja Gangireddy
Managing Director

Padmaja Reddy is the Promoter, and Managing Director of Keertana. Prior to this, she founded Spandana Sphoorty Financial Limited, took it from a humble not-for-profit beginning to one of the largest MFIs in the country. She scripted a turnaround story of Spandana which went in CDR post 2010 Microfinance crisis, by reviving it and taking it to IPO . She is currently serving as Non-Executive Director on the Board of Spandana. She has over 24 years of experience in financial services and Development domains. She holds a master's degree in Business Administration and has pursued trainings on Microfinance from Naropa University, Durham University Business School and Harvard Business School.

Mr.Vijaya Sivarami Reddy Vendidandi
Non- Executive Director

Mr. Vijaya Sivarami Reddy was part of the founding team of Spandana Sphoorty Financial Limited, the second largest microfinance institution in India till November, 2021. He had been associated with Spandana, since its inception and played crucial role in setting up the operations of the company in its initial stages. He was in-fact the branch manager of Spandana's very first branch in Guntur town of Andhra Pradesh. He later served as a regional manager and was involved in various operational roles over the years. He has always been an investor in Spandana since its inception in 2003 and continues to be an investor. He holds a Master's Degree in English Literature. Before working with Spandana, he worked as a lecturer and assumed administrative roles with educational institutions for close to 10 years.

Mr. Mahesh S. Payannavar
Independent Director

Mr. Mahesh is a senior Banker with diverse experience in the field of banking and financial services sector at leadership roles. He was a Business Head at IDFC First Bank with primary focus on Corporate NBFC loans, securitization, risk management, compliance and structuring transactions. He has multi decade experience at senior positions in Private Equity Funding, Treasury, Fixed Income, Capital Markets and Corporate Finance. He is a graduate in Chemical Engineering and has done his Masters in Management with Finance specialization. He is a strategic thinker with analytical bend and has a proven track record of building profitable businesses.

Mr. Vara Prasad Chaganti
Independent Director

Mr. C Vara Prasad is a seasoned professional with 20 years of experience in Financial Services and Banking. He has held key positions at renowned institutions like BASIX, ICICI Bank, ABN AMRO Bank, and IndusInd Bank. Most recently, he served as Vice President and Business Lead for the Inclusive Banking Group at IndusInd Bank. Mr. Prasad is currently the founder of Indhan Impact Financial Services Private Limited, a company specializing in Financial Intermediation in collaboration with Banks and NBFCs.

Mr. Raghu Venkata Harish
Independent Director

Mr. Raghu Venkata Harish is the Co-founder, CEO and MD of Saggraha Management Services. Saggraha is a bottom of the Pyramid financial services provider with a mission to contribute to the country's financial inclusion effort. Harish has 25 years of experience in Agri, rural, banking and financial services. In his previous role, he has worked as the COO of Future Financial Services Ltd, Trident Microfinance and as a CPO at Spandana. During his long career, he was with Fullerton Rural, ICICI bank, and Madras Fertilizers in various business centric roles. He has experience handling sales, operations, channel management, branch banking, sales, HR, media and PR and marketing. He holds a bachelor's degree in (B.Sc.) Agriculture, PGDBM and EGMP from IIM - Bangalore.

Keertana's Tailored Approach to build multi-product NBFC

In a competitive lending landscape, Keertana Finserv Private Ltd. has carved a niche through its tailored branch approach by offering different products, which are well assisted through physical branches and use of technology in all the processes. Keertana has established a network of physical locations that foster personal connections with the customers; and simultaneously built a robust digital process across the different product to build controls and offer convenience to customers. Physical branches are operating with three different verticals and all the verticals are independent of each other with each vertical merging at the HO level.

Tailored Branches for Specialized Products

At the heart of our business strategy lies the establishment of three distinct types of branches, each dedicated to serving a specific product vertical, i.e. Gold Loans, Micro Enterprise Loans (MEL) delivering credit through JLG mode and retail branch offering products like Loan against Property (LAP), Housing Loan (HL) and MSME loans. These branches are strategically located to ensure accessibility and convenience for our customers while offering specialized expertise in their respective domains.

While our physical branches serve as vital touchpoints for personalized interactions, we recognize the importance of integrating digital technologies to enhance the overall customer experience and operational efficiency. Investment in technology has been key thought process from day one and depending on the need of the business vertical, the priorities are set. For example, an operational heavy business like Gold loan has seen lot of investment into setting up of security systems, de-centralized monitoring of vault using the Internet of Things (IOT) technology, usage of face recognition technology to ensure that the customer identity is checked at the time of release of pledge etc. Similarly, for MEL branches, entire underwriting is automated using the Business Rule Engine (BRE), which is in-house development. The BRE is equipped to underwrite basis the practical insights around the income level of each of the borrower depending on the occupation as the same has been built in the system in a way that the decision making is done digitally while the customer interface remains physical through the branch and its representatives.

Driving Effectiveness and Efficiency

Our physical branches experience gets augmented basis the digital processes which helps us achieve greater effectiveness and efficiency in our operations. By leveraging technology for routine transactions and inquiries, our staff can focus on delivering value-added services and building lasting relationships with customers. This dual-channel approach coupled with the product specific branches leading to well-trained employees, facilitates faster decision-making and smoother workflows, ultimately enhancing our ability to scale our operations while maintaining service excellence.

Outlook

As we look ahead, our commitment to growth extends across all three verticals to have a good mix of secured and unsecured product offering, with a strategic focus on increasing our investment in technology. We look forward to work more on customer engagement, enhancing the customer experience, and efficiency across the level of operations. As our sourcing primarily relies on a branch-led model, we are dedicated to expanding into new geographies while concurrently advancing our technological capabilities to increase the efficiency of existing setup. This strategic approach not only strengthens our position in existing markets but also opens doors to new opportunities for growth and expansion.

In summary, our outlook is characterized by a steadfast commitment to innovation and customer-centricity. By embracing technology and expanding our geographic footprint, we are poised to achieve sustainable growth while maintaining our reputation for excellence in customer service, employee satisfaction and as an organization having best of the corporate governance practices.

CREDIT RATING

Rating agency	Instrument.	Rating
ICRA	• Non-convertible debentures (NCD) • Short term – Fund based working capital demand loans • Long-term/ Short-term fund based-unallocated • Long term – Fund-based term loans	• BBB/Stable • A3+ • A3+ • BBB/Stable
CRISIL	• Proposed long term bank loan facility • Non-Convertible Debentures	• BBB/Stable • BBB/Stable

CUSTOMER STORIES

Mrs. Doni Ramanamma, lives in Kavali town of Andra Pradesh for over thirty years, with her husband, son, daughter-in-law, and two grandsons. She was involved in agriculture but the family faced financial crisis due to incurred losses in agriculture. There were days in their life when they were not able to get 2 times meals in a day. It was difficult for them to cover daily expenses and support their grandchildren's education. To enhance their financial stability and assist their family, Ramanamma decided to establish a small vegetable and grocery store in their hometown. To fund this initiative, she borrowed fund from Keertana against her gold ornaments as she was attracted by Keertana's competitive interest rates. Since opening the store, Ramanamma has been pleased with its revenue, which now adequately sustains her family. She extends heartfelt appreciation to Keertana for their assistance.

K. Rojamma Ruthu, a devoted wife and loving mother of 2 school going children. Despite of her husband's daily wages who is a factory worker it was difficult for them to meet their day to day expenses and give their children a better education. With a determination to overcome these financial challenges and give a brighter future to her children, Ruthu decided to start her own business. She started a new business venture and to support this venture she took financial support from Keertana. She took **Micro Enterprise loan** from Keertana which is specially designed for women backed with group guarantee. Her business venture is now growing and she is able to meet their basic financial needs.

The transformation in Ruthu's life not only addresses the immediate financial concerns but also enables her to pursue her dream of providing her children with quality education and a promising future. Ruthu is grateful to Keertana for giving her the opportunity and support.

Meet Mrs. E. Baji residing in Kambalapadu village of Andra Pradesh with her husband and two children. She has three buffaloes for a period of five years, but she always wanted to have her own dairy farm so that she can independently manage her family's financial needs. Then she learned about Keertana Finserv Private Limited who is offering different type of loans at a reduced interest rate. She put her agriculture land on mortgage to Keertana and availed our **Loan Against Property** product.

With the financial support from Keertana, she acquired two additional cows and started a dairy farm on a portion of her agricultural land. Now, she has six buffaloes and two cows. Her business is growing rapidly and she is now able to meet their financial needs independently.

Expressing gratitude towards Keertana, she acknowledges the invaluable contribution of the organization in the ongoing success and growth of her dairy business

Management Discussion and Analysis

Industry Structure and Developments

According to the latest IMF's (International Monetary Fund) World Economic Outlook (April'24), world economy is projected to grow by ~3.2% CAGR in near future, similar to growth observed in 2023. However, India, which is the fifth largest economy, is projected to fare much better than peers with the highest growth rate amongst large economies. It is estimated to grow at ~6.5% CAGR till 2029. he Indian economy presents a promising outlook, with the Reserve Bank of India (RBI) forecasting a 7% real GDP growth for FY25. This growth is supported by robust domestic demand and strong expansion in the manufacturing and services sectors. While global challenges persist, India's economic performance remains favorable due to lower input prices, moderated food inflation, and efforts to enhance export competitiveness.

As the country progresses, the demand for credit is expected to remain strong, particularly among Micro, Small, and Medium Enterprises (MSMEs) and retail sectors, projected to grow by 13.5-14%. This sets a positive stage for Non-Banking Financial Companies (NBFCs), which have become a vital source of finance for a large segment of the population, including SMEs and economically unserved and underserved individuals. NBFCs effectively cater to the diverse needs of borrowers in a fast and efficient manner, leveraging their vast geographical reach, deep understanding of various financial requirements, and extremely quick turnaround times.

This economic resilience is paving the way for significant credit growth for NBFCs. Notably, the MSME sector, along with several retail credit segments, including consumer durables, vehicle loans, microfinance, and affordable housing, are leading the growth trajectory for NBFCs. The sector is expected to experience robust growth driven by high credit demand across these segments.

In 2023, the contribution of NBFCs to India's gross domestic product (GDP) stood at 12.60% and accounted for almost 30% market share of the total non-food credit in the country. After a moderation in growth post the COVID-19 pandemic, NBFCs are back on track with an expected credit growth of 13–14% during FY24. The industry is anticipated to continue witnessing the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both the adoption of technology and changes in consumer habits, as well as the increasing availability of data for credit decision-making, have made it possible to build an NBFC lending business without substantial investments in brick-and-mortar presence. Overall, between FY23 and FY25, research indicates that NBFC credit will increase at a CAGR of 13–15%.

In recent years, the Indian financial services landscape has undergone significant transformation. The increasing penetration of neo-banking, digital authentication, and the rise of UPI and mobile phone usage, along with mobile internet, have led to the modularization of financial services, particularly credit.

In conclusion, the anticipated growth of the Indian economy and the continued evolution of the financial services landscape create a favorable environment for NBFCs. Their ability to quickly and efficiently meet the diverse financial needs of a wide range of borrowers positions them well to capitalize on the growing demand for credit.

Role of Regulatory and the Government

The Government and the Reserve Bank of India (RBI) have taken various initiatives like Mudra Loans, Trade Receivable electronic Discounting System (TreDS), account aggregators and ONDC- to push and support growth of small businesses. Other regulatory frameworks like co-lending and first loss default guarantee (FLDG) have also enabled NBFCs and FinTech organisations to partner with banks and extend greater credit offerings to customer segments. In order to adapt its regulatory architecture to the evolving risk profiles of NBFCs, the RBI rolled out a regulation in October 2021, which factors in the scale of NBFCs. This move was meant to refine the categorisation of these financial entities in line with their shifting risk profile by considering the growing size, escalating complexity and growing interconnectedness of NBFCs within the financial sector.

Industry Overview

The Non-Banking Financial Company (NBFC) sector has exhibited remarkable resilience and robust growth in the financial year ending 2024, despite operating in a dynamic economic environment characterized by various challenges. The sector has successfully sustained strong credit demand, maintained healthy asset quality, and ensured solid profitability.

- **Robust Credit Demand:** Credit demand across different asset classes has remained strong, driven by economic growth, increased consumer spending, and significant infrastructure investments. The retail loans segment, encompassing personal and consumption loans, unsecured small enterprise loans, and microfinance loans, has particularly shown impressive growth. According to ICRA, the NBFC-Retail Asset Under Management (AUM) is projected to grow at a rate of 18-20% in FY24, surpassing the previous estimate of 12-14%.

- **Maintained Asset Quality:** The NBFC sector has upheld strong asset quality standards through rigorous credit assessments and effective risk management strategies. Although a slight increase in overdue accounts is expected, the sector has implemented proactive measures such as enhanced monitoring and robust recovery mechanisms to sustain asset health.

- **Modest Rise in Overdues:** External economic factors and financial pressures on certain borrower segments may lead to a modest increase in overdue accounts. Nevertheless, NBFCs are well-prepared with comprehensive recovery processes and effective resolution strategies to promptly address these issues, thereby mitigating potential risks associated with overdue accounts.

- **Healthy Profitability:** Despite margin pressures and increased credit costs, the sector is anticipated to maintain healthy profitability. Strategic initiatives such as cost management, diversification of funding sources, and the introduction of innovative financial products play a crucial role in sustaining profitability. NBFCs continue to adapt to evolving market conditions, optimizing operational efficiencies to maintain a competitive edge.

- **Strong Capitalisation Profile:** The capitalisation profile of NBFCs remains robust, ensuring their ability to absorb potential losses and continue lending activities without compromising financial stability. Maintaining a healthy capital adequacy ratio is essential for meeting regulatory requirements and reinforcing stakeholder confidence. Industry reports indicate that NBFCs have bolstered their capital bases through equity infusions and retained earnings, supporting their growth ambitions and resilience.

- **Projection for FY 2025:** Looking ahead to FY 2025, industry analysts project continued growth momentum for the NBFC sector. Factors such as sustained economic recovery, favorable regulatory environment, and increased digital adoption are expected to drive the sector's expansion. ICRA forecasts that the NBFC-Retail Asset Under Management (AUM) may grow at a rate of 15-18% in FY25, supported by a gradual increase in credit demand across various segments. This projection indicates a steady growth trajectory for the NBFC sector, underlining its resilience and potential for further development.

In conclusion, the NBFC sector is well-equipped to navigate the current economic landscape, driven by strong credit demand, healthy asset quality, resilient profitability, and solid capitalisation. Through prudent management and strategic growth initiatives, the sector remains committed to delivering sustained value to its stakeholders.

Product-Wise Market Trends and Insights

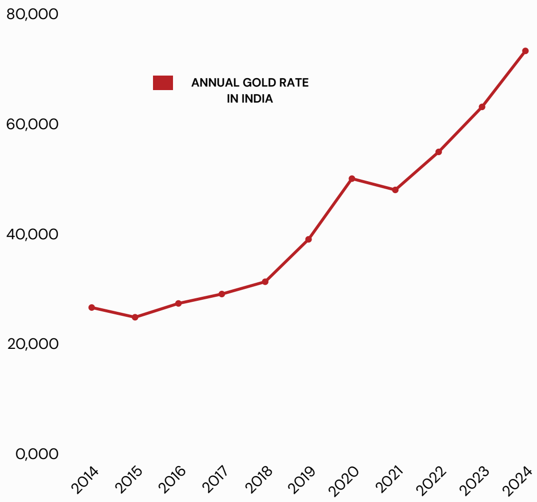
Gold Loan

The gold loan product in India is performing exceptionally well, exhibiting robust growth and widespread acceptance among borrowers. The outstanding amount for gold loans stands at Rs. 89,382 crore, with a remarkable year-on-year growth rate of 15.4%. Disbursals have nearly doubled from Rs. 46,791 crore in September 2020 to Rs. 80,617 crore in September 2022, indicating a substantial increase in the volume of gold loans being issued. This growth can be attributed to several factors, including the cultural significance of gold in India, its high liquidity, and the convenience and flexibility offered by gold-backed financing. Moreover, India's substantial gold reserves, totalling over 27,000 tonnes, further reinforce the stability and attractiveness of the gold loan product in the country. Overall, the performance of the gold loan product in India underscores its importance as a key financial instrument, providing borrowers with access to quick and hassle-free credit against their gold assets. The continues increase in gold prices have further increased the average ticket size as well, further boosting the overall growth numbers. However, the increased scrutiny by regulator on the gold loan operations is closely being watched by the industry players.

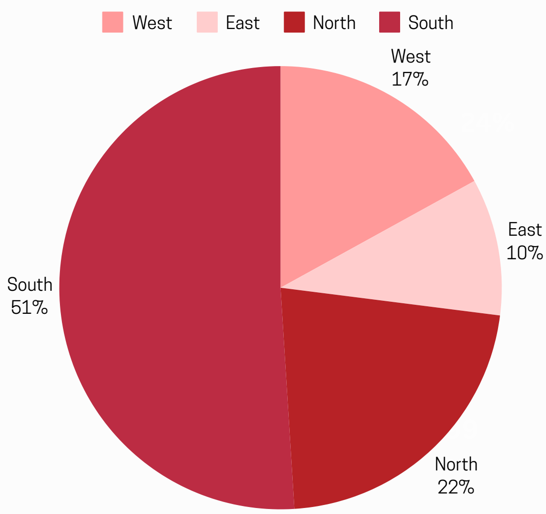
As gold prices rise, Companies (lender) may witness an influx of borrowers seeking to leverage their gold assets for liquidity. For a healthy growth trend in such a scenario, it is important to seek customer-led growth rather than value-led growth. The factors which may impact gold price is as follows:

Factors affecting gold price
The gold rate is influenced by many factors, ranging from economic indicators to geopolitical events. Some key factors affecting gold prices include:

- **Supply and demand:** Like any commodity, gold rates are affected by supply and demand. Changes in mining output, recycling rates, and industrial demand can impact the availability of gold in the market.
- **Central bank policies:** Central banks hold significant gold reserves, meaning their buying or selling activities can influence prices. Monetary policies such as interest rate decisions and quantitative easing programs also affect investor sentiment toward gold.
- **Inflation and deflation:** Gold is regarded as a hedge against inflation, as its value tends to rise during periods of currency devaluation. Conversely, gold may lose some of its appeal during deflationary periods as investors seek assets with more stable returns.
- **Currency strength:** Gold is priced in U.S. dollars, so fluctuations in the value of major currencies relative to the dollar can impact gold prices. A weaker dollar typically boosts gold prices, making the metal more affordable for investors holding other currencies.
- **Geopolitical tensions:** Political instability, conflicts, and geopolitical tensions can increase gold demand. Uncertainty in global markets often drives investors towards gold as a store of value during turbulent times.
- **Interest rates:** Gold, a non-yielding asset, competes with interest-bearing investments such as bonds and savings accounts. Changes in interest rates can influence the opportunity cost of holding gold, affecting investor demand.
- **Market sentiment and speculation:** Investor sentiment and speculative trading activities can have a significant short-term impact on gold prices. News events, market rumours, and shifts in sentiment towards risk assets can all drive fluctuations in gold prices.
- **Technological advances:** Gold has various industrial applications, particularly in electronics and technology. Technological advances that reduce the demand for gold in certain industries can impact prices, although industrial demand typically plays a smaller role than investment and jewellery demand.



Increase in Gold loan prices



Region wise share of AUM FY-23

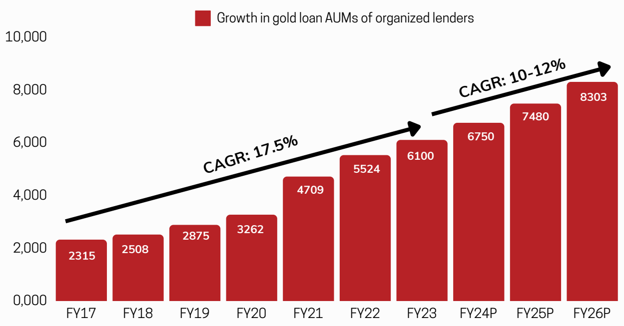
In the dynamic landscape of financial markets, gold has continuously held its allure. In India specifically, beyond the aesthetic and cultural significance of gold, it has started playing a pivotal role in the financial realm, especially when it comes to securing loans. The recent surge in gold prices has further increased the overall market size, reshaping the dynamics of gold loan industry.

South India dominates Indian gold jewellery consumption, accounting for 51% of the country’s total jewellery demand. Demand remains high due to consumers’ affinity for plain gold jewellery, high per capita incomes and low poverty levels.

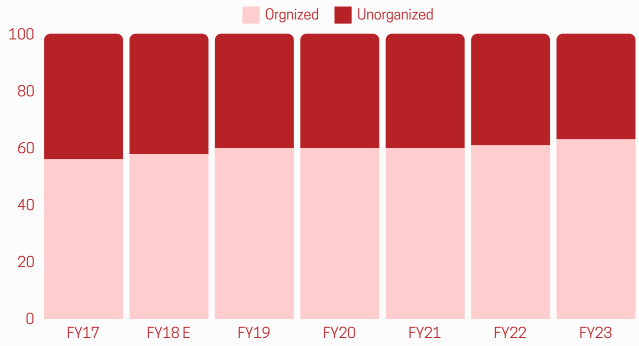
The gold loan sector is still largely catered by unorganized players with potential for new entrants to enter market and create space. The factors that will support NBFC industry to grow further are as follows:

- Scope to capture share from unorganised gold loan financiers.
- Initiatives to increase awareness and increasing comfort of customers with gold loans due to the convenience.
- Geographic diversification to markets beyond the Southern part of India.

Demand for gold loans from micro enterprises and individuals to fund working capital and personal requirements is expected to increase owing to pickup in economic activity. In addition, with demand reviving and market expansion through doorstep gold loans model, CRISIL MI&A expects AUM to touch close to 8,303 billion by March 2026, translating into a 10-12% CAGR between Fiscal 2023 and 2026.



Growth in Gold loan AUMs of organized Lenders



Share of unorgainzed and organized lenders

Loan Against property and Home loans

India's financial landscape is evolving rapidly, with Non-Banking Financial Companies (NBFCs) playing a pivotal role in providing credit to various segments of the population. Among the diverse products offered by NBFCs, home loans and loan against property stand out for their significant potential for growth. Home loans accounts for 46% of overall retail loans as at March 31, 2023.

A growing economy boosts business and consumer confidence, leading to higher demand for credit, including loans against property (LAP). Economic recovery has spurred increased borrowing for both expansion and consumption. The RBI has maintained relatively low interest rates to stimulate economic growth, with the repo rate around 6.5% as of early 2024. These lower interest rates reduce borrowing costs, making LAP more attractive to borrowers and contributing to growth in this segment. Additionally, property prices in major urban areas have shown steady growth, despite some variations based on location and market conditions. Rising property values increase the collateral value, enabling larger loan amounts and making LAP a more appealing option for borrowers.

This potential is underpinned by a combination of demographic, economic, and social factors that create a conducive environment for expanding these loan products.

India presents a high potential for growth in loans against property and home loans offered by NBFCs, driven by several key factors:

- **Rising Population:** India's population is projected to reach approximately 1.5 billion by 2030, increasing the demand for housing and related financial products.

- **Expanding Middle-Class Households:** The Indian middle class is expected to double in size from 300 million in 2020 to 600 million by 2030, driving the demand for property and housing loans as more families seek to purchase homes.

- **Increasing Working-Age Population:** With over 65% of the population under the age of 35, the growing working-age demographic enhances borrowing capacity and the need for property loans.

- **Nuclearisation of Families:** The shift towards nuclear families, which accounted for over 70% of urban households in 2020, increases the demand for individual housing units.

- **Rapid Urbanization:** Urbanization is accelerating, with urban areas expected to house 40% of India's population by 2030, leading to increased demand for housing in cities and consequently, home loans.

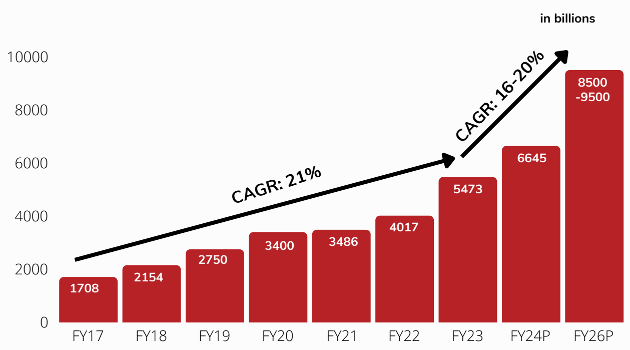
- **Low Mortgage to GDP Ratio:** India's mortgage to GDP ratio stands at around 10%, significantly lower than countries like the US (about 60%) and the UK (about 70%), indicating substantial room for growth in the mortgage market.

- **Rising Per Capita Income:** India's per capita income is projected to grow at an average rate of 6-7% annually, enhancing affordability and access to property loans.

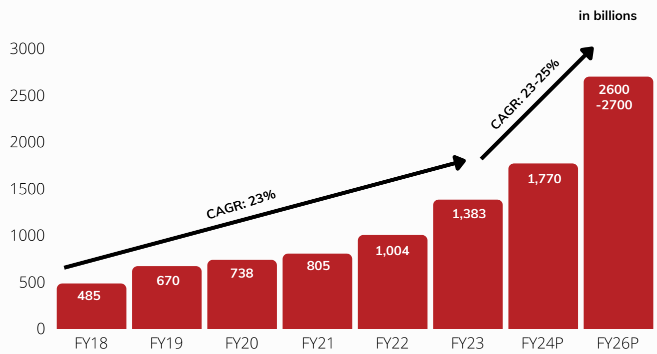
These factors collectively contribute to a favorable environment for the growth of loans against property and home loans in India, positioning NBFCs to capitalize on this burgeoning market.

Joint Liability Group loans

With economic revival and unmet demand in rural regions, CRISIL MI&A expects the overall MFI portfolio size to grow at CAGR of 16-20% between Fiscals 2023 and 2026. CRISIL MI&A expects NBFC-MFI industry to log 23-25% CAGR between Fiscals 2023 and 2026. Key drivers for the superior growth outlook include increasing penetration into the hinterland and expansion into newer states, faster growth in the rural segment, increase in average ticket size and higher usage of support systems such as credit bureaus. Moreover, household credit is a huge untapped market for the MFI players. The country has seen household credit penetration via MFI loans rising, but it is still on the lower side. Going forward, the overall microfinance industry is expected to see strong growth on back of the government's continued focus on strengthening the rural financial ecosystem, strong credit demand, and higher ticket sized loans disbursed by microfinance lenders.



Overall MFI Industry to grow at 16-20% CAGR over Fiscal 2023-26



NBFC MFI Industry to grow at a faster rate than overall MFI Industry

The portfolio outstanding of the NBFC-MFIs grew at a healthy CAGR of 23% between Fiscals 2018 and 2023 to Rs 1,383 billion. NBFCs and NBFC-MFIs registered highest growth at 49% and 38% respectively in Fiscal 2023. This was NBFC-MFIs highest growth in last four Fiscals. Going ahead, CRISIL MI&A expects the NBFC-MFIs to continue to outplace other MFI lenders amid improving asset quality and continued traction in economic activity. Complementing the tailwinds will be rising profitability supported by higher net interest margins. The confluence of these factors augurs well for the credit profiles of NBFC MFI, allowing them to grow faster. The NBFC-MFIs are expected to gain market share in the medium term with a healthy double-digit CAGR of 23-25% between Fiscals 2023 and 2026.

Rural segment continues to drive MFI business

With fewer branches and outlets of banks and NBFCs in rural and semi-urban areas as compared with urban areas, the rural market (comprising of rural and semi-urban) in India for lending is still under-penetrated, thereby opening up a huge opportunity for savings and loan products. CRISIL MI&A believes that establishing a good rapport with rural customers leads to longer and more loyal customer relationship, which can be further leveraged to crosssell other products. With the government s focus on financial inclusion and increasing number of financial institutions opening up branches in the unbanked areas, CRISIL MI&A has seen that demand for loan is higher in rural areas.

(rs billion)	Disbursement (Fiscal 2022)	Share of disbursement	Portfolio outstanding	Share of gross Loan portfolio (GLP)	Share of borrowers
Rural	852	75%	1019	75%	75%
Urban	281	25%	332	25%	25%

Disbursement and number of borrowers in rural area (as of Fiscal 2022)

Source: PwC- Pioneers of change: Building resilient NBFCs ; https://www.ibef.org/ ; ICRA credit rating website; RBI bulletin; McKinsey & Company; BCG; UN DESA; World Bank; UN-Habitat; Ministry of Finance;

Keertana's Business Overview

Target customer & our offerings

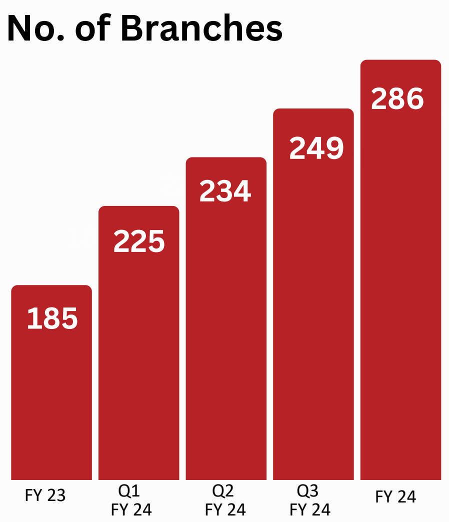
Keertana is dedicated to serving middle and lower-income groups, with a primary focus on rural and semi-urban people who often lack access to traditional banking services. Keertana ensures a smooth and hassle-free borrowing experience for customers. The Company strongly supports both financial inclusion and women empowerment and hence prioritizes Tier 2 and Tier 3 towns, Mandal Headquarters, and large revenue villages where there is limited competition from other financial institutions. In many geographical areas, Keertana is either the sole or secondary loan provider company.

The market for gold loan products is traditionally confined to lower and middle-income groups, who view Gold Loans as an option of the last resort in case of emergency. The Gold Loan product focuses on rural and semi-urban areas, providing funds to meet diverse financial needs. Emphasizing women's empowerment, Keertana offers the Micro Enterprise Loan exclusively to women backed by group guarantees. The LAP (Loan against Property) primarily serves individuals and households, accepting assets as collateral, particularly from those with irregular income sources.

The Housing Loan addresses individuals or households facing income restrictions for traditional mortgages, offering affordable housing finance solutions. MSME loans extend financial assistance to individuals or businesses for various personal or business-related financial needs. Additionally, Personal loans are tailored for existing borrowers with short-term fund requirements.

Expanding to new geographies

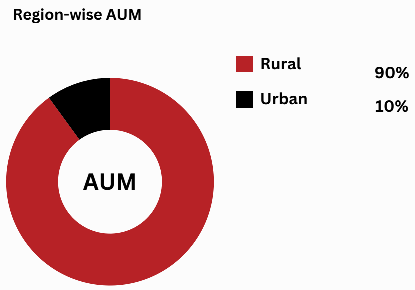
In the fiscal year 2024, Keertana significantly enhanced its footprint by extending its operations to 286 branches covering six states and encompassing 42 districts. This expansion has diversified its operations extensively, creating ample growth prospects to further develop business activities in these regions and venture into new territories. Throughout the year, Keertana augmented its branch network by an impressive 55%, establishing a widespread presence that facilitates reaching out to a larger customer base and providing services to various communities.



Rural focus:

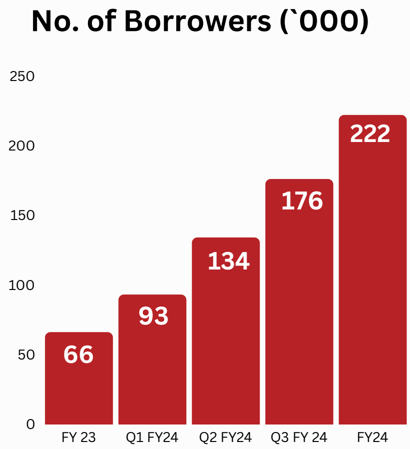
Rural India has a lot of lending opportunities, especially with the Government focusing more on rural development. Projects to improve rural infrastructure and support small and medium enterprises have increased confidence in lending to these underserved areas.

At Keertana, 90% of our loans are in rural areas and 10% in semi-urban areas, showing our strong commitment to these regions. Our experience with rural clients has shown that they repay their loans on time, indicating that our rural loan portfolio is of good quality.



Growing customer base

With a strong emphasis on customer acquisition-driven growth, we added approximately 1,55,879 new borrowers over the year. This has increased the total customer base we serve to 2,22,310 as of March 2024. Our strategic approach involves serving customers in deep rural and semi-urban areas, allowing us to solidify our presence in tier 3 geographies. This expansion strategy enables us to serve a broader segment of the population while diversifying our market reach



Improvement in disbursement

Total disbursement for the year stood at 3214.25 crs as compared to 1614.17 crs in FY23. Over 30% of total loans disbursed in the year were to borrowers who were new to Keertana. There is a steady demand for gold loan and the tailwinds from economic growth are further fuelling the demand.

SCOT Analysis

Strengths

- Well defined and diversified product offerings leading to a good balance among growth, high yield and profitability .
- Promoter and team with over two and half decade of experience into lending business

Challenges

- Sensitive to changing interest rates and market conditions.
- Limited brand recognition compared to banks.

Opportunities

- Implementing digital solutions to offer convenient services.
- Highlighting the benefits for borrowers in the unorganized sector to transition to the organized sector, including better services and lower interest rates, to attract their business.
- Expansion to new geographies
- Government initiatives to boost- 1) affordable housing 2) MSME sector

Threats

- Competitive intensity from time to time
- Any adverse movement in the industry/macro-economic environment
- Economic downturns and natural disasters affecting portfolio quality.

Financial Performance

The financial highlights and Company's performance is explained in detail in point no.1 and 2 of the Board's report. Therefore, it is not repeated in this report to avoid duplication.

Particulars	Year ended March 31,2024
Debt Equity Ratio (no. of times)	3.35
Total Debt to Total Assets %	75.46%
Net Profit Margin	25.86%
Sector specific ratios:	
• CRAR% (Tier I + Tier II)	23.66%
• Gross NPA Ratio %	0.05%
• Net NPA Ratio%	0.00%

- Debt-equity ratio is (Debt Securities + Borrowings (other than debt securities)- Unamortized issues expenses)/net worth i .e. equity share capital + other equity

- Total debts to total assets is (Debt Securities and Borrowings (other than debt securities)- Unamortized issues expenses/ Total assets

- Net Profit Margin is net profit after tax/total income.

- Capital adequacy ratio or capital to risk weighted assets ratio(CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

- Gross NPA ratio is Gross Stage 3 assets/ Gross assets under management. Asset under management includes loans, investments in non-convertible debentures, investment in pass through certificates and investment in alternate investment funds.

- Net NPA ratio is (Gross Stage 3 assets- Impairment Loss allowance for stage 3 assets/ (Gross Assets under management- impairment allowance for Stage 3 assets.

HUMAN RESOURCE

At Keertana, we believe that our people are our biggest asset. Our organisation is driven by the experience, expertise, and enthusiasm of our team. We are focussed on attracting, retaining, and developing a talented workforce, which is essential for supporting our organisation's progress. We foster a diverse and inclusive culture that encourages collaboration, agility and innovation. We value and respect the differences in our employees and are committed to providing equal opportunities for everyone to grow and develop within our organisation. As of FY24, we had a total of 1812 employees, including our field staff. We have been actively enhancing our field staff base to facilitate our future expansion plans. During the year, our workforce expanded by 75.8%

EMPLOYEE ENGAGEMNET

Throughout the year, we celebrate a variety of employee engagement events. From cultural festivals like Vinayaka Chaturthi, Holi, and Lakshmi Pooja to exciting team outings, these activities create a fun and inclusive atmosphere. They spark creativity, build cultural understanding, and boost team spirit, ultimately fostering a positive and morale-filled workplace. Our well-rounded engagement program goes beyond, offering a variety of personal, social, recreational, and sporting activities. This holistic approach creates a complete ecosystem that keeps employees happy and engaged.

REWARD & RECOGNITION

At Keertana, we acknowledge and celebrate the outstanding achievements of our employees. Every month, during our virtual team meetings, we present certificates to a select group of high performers. These individuals are recognized as our "Shining Stars" for their exceptional contributions and dedication.

SKILL DEVELOPMENT

At Keertana, we recognize the importance of investing in our employees' knowledge and skillsets. To ensure we provide exceptional service and cater to our diverse clientele effectively, we have implemented a comprehensive training and development program focused on product specialization. This program equips our employees with the in-depth knowledge and expertise required to excel.

RISK MANAGMENT FRAMEWORK

Recognizing the critical role of risk management in achieving sustainable growth, Keertana prioritizes proactive identification and mitigation of potential business risks. The Company implements tailored mitigation strategies for each identified risk and continuously reviews and updates its risk management policies to ensure a well-positioned approach to navigating challenges. Here's a closer look at some key business risks Keertana addresses through its robust risk management processes:

Risk	Definition	Mitigation
Operational Risk	Operational risk as the risk of loss arising from inadequate or failed internal processes, people, and systems	Timely training and education imparted to employees. All our gold loan branches are monitored centrally using surveillance cameras with access to storage vault also monitored centrally. We have strong internal audit team to visit the branches and ensure the overall risk management.
Credit Risk	The risk of loss due to the failure of the counterparty to meet its credit obligations in accordance with the agreed contract terms.	By carefully assessing the creditworthiness of borrowers and counterparties before entering into financial transactions, and by maintaining a diversified portfolio of credit exposures.
Collateral Price Risk	Downward movement in gold prices could lead to reduction in profit	To address this risk, we ensure the loan up-to certain LTV and focus a lot on the right valuation of Gold at the time of disbursement. Proper assessment on weight, purity and adjustment for other than gold metal are key to right valuation.
Strategic Risk	The risk associated with the business model and the way the company wants to position itself strategically	Identify and assess potential risks (qualitative & quantitative). As a strategy, company look forward to grow as multi-product NBFC to diversify risk and at the same time, maitaine a good balance of profitability and growth.
Liquidity Risk	The inability to raise funding from the market at the best possible rates when required	We strive for diversification in our funding sources and instrument type. Company has ALCO in place to take the day to day decision on fund raising and monitor the liquidity position
Market Risk	Refers to the risk of losses due to movements in market prices. It also includes: Interest Rate Risk Liquidity Risk Foreign exchange risk	Maintaining an optimal balance sheet structure and cash flow patterns shall be the keystone of the market risk management strategy
Compliance Risk	The risk of legal, financial, or reputational losses due to non- compliance with laws, regulations, and internal policies.	Strong corporate governance practices that emphasize adherence to regulations. Educating staff at all levels on compliance procedures. Regularly reviewing and updating compliance programs.

INTERNAL CONTROL SYSTEM

At Keertana we understand the importance of safeguarding financial health. To achieve this, we have implemented a robust internal control system. This system goes beyond just protecting assets; it ensures the accuracy of financial statements, adherence to regulations, and prevents fraud.We take a comprehensive approach to information security, guaranteeing the privacy, accuracy, and accessibility of both customer data and company information. This internal control system is further strengthened by regular internal audits and management reviews.

Our internal audit department plays a critical role. They document, monitor, and maintain processes across all branches, actively searching for any potential financial misuse. Additionally, a dedicated team of auditors stationed at branches closely monitors the company's portfolio. These auditors conduct not only routine branch audits but also specialized audits based on internal red flags, helping to identify and address any potential shortcomings within branches.

BOARD'S REPORT

To,
The Members,
Keertana Finserv Private Limited.

Your directors take pleasure in presenting the Board's Report on the business and operations of your Company (the "Company" or "Keertana"), along with the audited financial statements for the financial year (FY) ended March 31,2024. The consolidated performance of the company and its subsidiary has been referred to wherever required in the report.

1. Financial Highlights

(₹ in lakhs, except for share data and unless otherwise stated)

Particulars	Standalone		Consolidated
	As at March 31,2024	As at March 31,2023	As at March 31,2024
Revenue from operation	26,892.57	9,181.64	26,948.32
Other Income	790.08	5.53	790.08
Total Income	**27,682.65**	**9,187.17**	**27,738.41**
Expenses			
Operating Expenses	4460.47	2449.15	4482.20
Depreciation and amortization expenses	607.75	400.60	607.75
Total Expenses	**5068.22**	**2,849.75**	**5089.95**
Profit before financial cost, impairment on financial instruments and tax	22614.43	6337.42	22648.45
Financial Cost	12,523.91	3,794.33	12523.83
Impairment on financial instruments	1,165.25	389.48	1165.25
Profit before tax (PBT)	**8,925.27**	**2,153.61**	**8959.36**
Current tax	2,388.02	756.45	2394.87
Deferred tax	(621.48)	(202.25)	(621.48)
Profit after tax (PAT)	**7,158.73**	**1,599.41**	**7185.97**
Non- controlling interest	-		
Profit attributable to Shareholders of the Company	-		
Other Comprehensive Income attributable to shareholders of the Company	1.24		1.24
Non- Controlling Interest	-		
Basic EPS	**8.89**	**2.89**	**8.92**
Diluted EPS	**8.89**	**2.89**	**8.92**
Paid up share capital	10,434.48	6,431.13	10434.48
Other Equity	28,299.40	10,409.07	28,763.40

*Note :- This is the first year of consolidation, hence, previous period figures are not available.

The above figures are extracted from the Standalone and Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in India as specified under Section 129 and 133 of the Companies Act,2013 ("the Act") read with the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Act.

The Financial Statements as stated above are available on the Company's website at https://keertanafin.in/investors/Financial_Reports

2. State of Affairs and Company's Performance

Your company aims to be a leading NBFC, offering a comprehensive range of financial products tailored to meet the diverse needs of its customers. Your company offers various Loan products operates through three independent business verticals including Micro Enterprise Loans (MEL) for women of low income households, Gold Loans and Loans Against Property or Home Loans. Whether the customers are from marginalized communities seeking a foothold, budding entrepreneurs in need of capital, individuals navigating tough times requiring urgent financial support, aspiring homeowners, or business owners looking for growth opportunities, your company offers products to suit their needs.

Throughout the FY 2023-24, there has been no change in the nature of the business, reflecting your company's commitment to stability and excellence in service.

On a standalone basis, your company's total income for the financial year ended March 31, 2024, increased to ₹27,682.65 lakhs compared to ₹9,187.17 lakhs in the previous financial year ended March 31, 2023, registering an increase of 201%. The profit before tax of your company increased to ₹8,925.27 lakhs during the year compared to ₹2,153.61 lakhs in the previous year, registering an increase of 314%. The net profit for the year increased by 348% to ₹7,158.73 lakhs from ₹1,599.41 lakhs in the previous financial year.

The Assets Under Management (AUM) stood at ₹1,56,145 lakhs as of March 31, 2024, compared to ₹60,913 lakhs as of March 31, 2023, marking a year-over-year growth of 156%. The number of operating branches increased to 286 during the financial year compared to 185 branches in the previous financial year, registering a growth of 55%.

3. Dividend

As your company is in growth stage, the Board of Directors has deemed it prudent to retain earnings for business expansion. As a result, the Board has decided not to recommend any dividend for the financial year under review.

4. Earnings Per Share (EPS)

The Basic EPS of your Company stood at ₹ 8.89 at standalone level and basic EPS at consolidated level stood at ₹ 8.92 for the FY ended March 31, 2024.

5. Transfer to Reserves

Your Company transferred an amount of ₹ 14,31,99,339/- (Rupees Fourteen Crores Thirty-One Lakhs Ninety-Nine Thousand Three Hundred and Thirty-Nine Only) from retained earnings to the Statutory Reserve during the financial year under review, in compliance with Section 45IC of the RBI Act, 1934.

6. Credit Rating

During the FY under review, both ICRA and CRISIL assigned ratings to your company which is as follows:-

ICRA Ratings :-

ICRA has upgraded our credit rating rating from BBB- (in the last financial year) to the following ratings:

Instrument	ICRA credit rating (Reviewed on Feb 12, 2024)
Long term- Fund based working capital demand loans	BBB (Stable)
Short term – Fund based working capital demand loans	A3+
Long-term/ Short-term fund based- unallocated	BBB (Stable)/A3+
Non-convertible debentures (NCDs)	BBB (Stable)

CRISIL Ratings :-

Instrument	Rating (Reviewed on April 10,2024
Long Term Rating	
Total Bank Loan Facilities rated ₹ 500 Crore	CRISIL BBB/ Stable

Instrument (other than those mentioned above)	Rating (Reviewed on August 09,2023)
Long Term Rating	
Non-Convertible Debentures - ₹ 100 Crore	CRISIL BBB/ Stable
Non- Convertible Debentures - ₹ 100 Crore	CRISIL BBB/ Stable (Reaffirmed)

7. Capital Adequacy

Your Company's capital adequacy ratio as on March 31,2024, stood at 23.66% of the aggregate risk-weighted assets on the balance sheet and risk-adjusted value of the off- balance sheet items, which is well above the regulatory minimum of 15%. Out of the above, the Tier I capital adequacy ratio stood at 22.63% and the Tier II capital adequacy ratio stood at 1.03%. For more details please refer note no.46 of the standalone financial statements.

8. Public Deposits

Your Company is a non- deposit taking NBFC and has not accepted any deposits falling within the meaning of Section 73 or Section 74 of the Companies Act,2013 during the FY 2023-24.

9. Share Capital

i. The Particulars of share capital of the Company are as follows :-

Particulars	Amount in ₹
Authorized share capital (20,00,00,000 equity shares of ₹ 10 each)	2,00,00,00,000
Issued, subscribed and paid-up share capital (10,43,44,801 equity shares of ₹ 10 each)	1,04,34,48,010

The issued, subscribed and paid-up share capital as on the date of signing this report is ₹ 1,21,01,14,680 divided into 12,10,11,468 (Twelve crores ten lakhs eleven thousand four hundred sixty eight) equity shares of Rs. 10 each.

ii. Shares allotted during the financial year under review

Your Company has allotted 4,00,33,513 (Four Crore Thirty three thousand and five hundred and thirteen) Equity Shares on rights issue basis during the FY under review, the details of such allotment is as follows:-

Sr. No.	Date	Details
1.	June 30,2023	1,26,66,667 (One Crore Twenty- Six Lakhs Sixty- Six Thousand Six Hundred Sixty Seven) Equity shares of face value of ₹ 10 each (and at a premium of ₹ 20 per shares)
2.	Oct 21,2023	1,00,00,000 (One Crore) Equity shares of Face value of ₹ 10 each (and at a premium of ₹ 30 per shares)
3.	Feb 14,2024	1,73,66,846 (One Crore Seventy-three Lakhs Sixty-six Thousand Eight hundred and forty-six) Equity shares Face value of ₹ 10 each (and at a premium of ₹ 30 per shares)
Total		4,00,33,513 (Four Crore Thirty three thousand and five hundred and thirteen) Equity Shares

The paid-up share capital as on date is ₹ 1,21,01,14,680, divided into 12,10,11,468 (Twelve crores ten lakhs eleven thousand four hundred sixty eight) equity shares of Rs. 10 each.
After the closure of the financial year 2023-24, the company allotted 1,66,66,667 (One Crore Sixty-Six Lakh Sixty-Six Thousand Six Hundred Sixty-Seven) equity shares of Rs. 10 each (and at a premium of ₹ 50 per shares) to its existing shareholders on June 25, 2024.

10. Issuing of Non-Convertible Debentures (NCDs)- Listed and Unlisted

During the financial year under review, Keertana Finserv Private Limited effectively listed its Non-Convertible Debentures (NCDs) issued through Private Placement on the Debt listed platform of the Bombay Stock Exchange (BSE). The initial NCD issued via Private Placement was officially listed on June 13, 2023. Additionally, there are unlisted NCDs as well which are issued through Private Placement. The details of debenture trustee

Catalyst Trusteeship Limited CIN- U74999PN1997PLC110262
Address: GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony, (Right), Kothrud, Pune, Maharashtra - 411038, India.

Detailed information regarding both listed and unlisted NCDs (issued through Private Placement) is provided below.

Listed NCDs:-

Sr. No.	ISIN	Listing Date	Maturity Date	Coupon Rate	Based on Face Value	Based on Issue Price
1.	INE0NES07022	13-06-23	31-01-25	11.60%	24	23.76
2.	INE0NES07030	28-06-23	22-02-25	11.65%	20	19.80
		28-07-23			60	59.40
		21-08-23			70	69.30
3.	INE0NES07048	12-09-23	11-05-25	11.60%	50	50
		28-09-23			50	50
4.	INE0NES07071	30-11-23	28-11-25	11.60%	50	50
		18-12-23			110	110
5.	INE0NES07089	21-02-24	20-02-26	11.50%	110	110

Unlisted NCDs:

Sr. No.	ISIN	Issuance Date	Maturity Date	Coupon Rate	Based on Face Value	Based on Issue Price
1.	INE0NES07014	05-04-23	30-09-2025	14.90%	25.00	25.00
2.	INE0NES07055	19-08-23	28-02-2025	11.60%	30.00	29.70
3.	INE0NES07063	06-10-23	20-06-2025	11.60%	50.00	50.00

Your Company maintains its commitment to fulfilling its annual listing fees obligation to the Bombay Stock Exchange (BSE) for its listed debentures. During the financial year under review, the interest and redemption amount on Non-Convertible Debentures (NCDs) was paid by the Company on their respective due dates. There were no instances of any interest or redemption amount that was not claimed by the investors or not paid by your Company after the date on which the same became due for payment. Further disclosures regarding these payments are as follows:

1	The Total number of non-convertible debentures that have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption	Nil
2	The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in clause (1) as aforesaid	Nil

Funds Utilisation Details for Listed and Non-Listed NCDs :

Sr. No.	ISIN	Amount Raised (₹ in Crore)	Funds utilized	Any deviation in fund utilization
1.	INE0NES07022	24.00	24.00	NO
2.	INE0NES07030	20.00	150.00	NO
		60.00		
		70.00		
3.	INE0NES07048	50.00	100.00	NO
		50.00		
4.	INE0NES07071	50.00	160.00	NO
		110.00		
5.	INE0NES07089	110.00	110.00	NO
6.	INE0NES07014	25.00	25.00	NO
7.	INE0NES07055	30.00	30.00	NO
8.	INE0NES07063	50.00	50.00	NO

11. Details of Subsidiaries

Keertana Financial Limited (KFL) was incorporated on November 15, 2021, as a public limited company. KFL became a wholly owned subsidiary of your company during the financial year ended March 31, 2024. KFL has its registered office in Kolkata.

Performance of Subsidiary Companies

A statement providing details of performance, contribution to the overall performance of the company, and salient features of the financial statements of the subsidiary company is provided as Annexure-1 (to this report) in Form AOC-1 and is also part of the consolidated financial statement. Therefore, it is not repeated in this report to avoid duplication.

12. RBI Guidelines

Your Company continues to uphold compliance with the RBI's Master Direction on Non-Banking Financial Company - Scale Based Regulation, Directions 2023, along with all other applicable laws, regulations, and guidelines set by the RBI. Categorized as an NBFC-Middle Layer for the FY 2023-24 (since August 2023) under Scale Based Regulation (SBR), your company also follows the RBI's guidelines for:

- **Appointment of Chief Compliance Officer** In line with the guidelines issued by RBI on the compliance function and the role of the Chief Compliance Officer, Ms. Amreen Gulnaaz has been appointed as the Chief Compliance Officer, effective March 29, 2024, for a three-year term. The Compliance Policy is available on the company's website and the link is as follows:- https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8bae12cc6.pdf

- **Auction Procedure -** Your company has established a policy detailing the auction procedure, which can be accessed on the Company's website at https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8b818389e.pdf. Auctions are conducted in the same town or taluka as the branch that extended the loan. For more details, refer to Note No. 53 of the Standalone Financial Statements, which aligns with RBI Master Directions and is not reiterated in this report to prevent duplication.

- **Products offered by the Company -** The Board of Directors reviews the products offered by your company from time to time and approves the terms and conditions related to those products. A brief overview of the product notes approved by the board is available on the website at https://keertanafin.in/loans

13. Annual Return

In compliance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act, your company's annual return is hosted on the website. You can access it using the following link: https://keertanafin.in/investors/Annual_Reports

14. Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act,2013

Your Company, being an NBFC registered with the Reserve Bank of India, is exempt from the applicability of Section 186 of the Companies Act, 2013, read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014. This exemption applies to loans made, guarantees given, or security provided in the ordinary course of business by an NBFC.

15. Risk Management

Your Company has in place a Board-constituted Risk Management Committee. The details of the Committee and its terms of reference are set out in Corporate Governance Report that forms part of this Report. Your Company has a Board-approved Risk Management Policy wherein risks faced by the Company are identified and assessed. The policy is available on the Company's website at https://keertanafin.in/CODEBASE/public/uploads/Investor/65c0b2b6cf0ba.pdf

Effective risk management and mitigation are critical to sustaining and growing any business. At Keertana, we recognise the importance of identifying risks and implementing mitigation plans to reduce their impact. The Company proactively manages various business risks through mitigation strategies tailored to each risk. It constantly reviews and updates risk management policies to ensure our business is well-positioned to navigate potential risks successfully.

During the financial year under review, the Risk Management Committee reviewed the risks associated with the business of your Company, undertook a root cause analysis and monitored the efficacy of the measures taken to mitigate the same.

16. Corporate Social Responsibility

The Board of Directors has established a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of Section 135 of the Companies Act, 2013. Following the CSR Committee's recommendations, the Board has allocated CSR funds as per the Companies Act, 2013, focusing on activities as recommended by the CSR Committee and outlined in Schedule VII of the Companies Act, 2013 and in the CSR policy of the Company. A detailed annual report CSR is enclosed as Annexure II to this report. The details of the CSR committee and their meetings are covered in the corporate governance report, which is included as an annexure to this report.

17. Board of Directors and KMP

During the financial year under review, Mr. Siddharth Mehta resigned as Company Secretary effective June 30, 2023. The Board acknowledged and accepted his resignation through a circular resolution passed on July 3, 2023. Ms. Komal Ratlani was appointed as Company Secretary effective July 1, 2023, at the Board meeting held on June 30, 2023.

Your company's Board underwent reconstitution through the change in designation of three (3) directors to Independent Director. These directors were already directors on the Board, and considering the company's future growth, the Board, in its meeting held on September 27, 2023, changed their designation from Professional Director to Independent Director:-

a) Vara Prasad Chaganti (DIN 09425725)
b) Raghu Venkata Harish (DIN 06792543)
c) Mahesh Payannavar (DIN: 00230347)

Mr. Prakash Bhawnani was appointed as Chief Financial Officer of your company effective December 22, 2023.

Details on the composition of the Board, their attendance, and committee details form part of the corporate governance report which is enclosed as annexure to this report.

18. Declaration given by Directors

- **Declaration by Independent Director -** Your Company has received the declaration by the Independent Director(s) that they satisfies the criteria of independency in accordance with the provisions of Section 149(6) and (7) of the Companies Act,2013 as well as per the Listing Regulations.

- **Declaration on Disqualification of Directors (if any) -** None of the Directors on the Board of the Company are disqualified pursuant to the provisions of Section 164 or Schedule V Part II of the Companies Act,2013

- **Declaration on Fit & Proper Criteria -** Your Company is adhering to the Fit and Proper Criteria and your Board of Directors has approved the Fit and Proper Policy, which assesses the Fit and Proper Criteria for the directors at the time of appointment and on a continuing basis, as per the criteria prescribed by the RBI.

19. Corporate Governance Report

Your company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. The provisions of regulation 16 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable to the company during the financial year under review. The disclosures regarding corporate governance are enclosed as Annexure III to this report in compliance with the RBI circular dated April 19, 2022 (Circular No. DOR.ACC.REC.No.20/21.04.018/2022-23).

20. Annual Evaluation and Policies adopted by the Board

Your Company follows the best practices to ensure that the Board of Directors understands their duties and adopts good governance practices.

The Nomination and Remuneration Committee carried out the evaluation of each Director's performance and the Board additionally carried out a formal evaluation of its own performance, the Statutory Board Committees and all the individual Directors without the presence of the Director concerned who is being evaluated.

During the year under review, Independent Directors of the Company also held separate meetings to review the performance of the Non-Independent Directors and the Board as a whole and assess the quality, quantity and timeline of the flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. Major aspects of board evaluation include who is to be evaluated, the process of evaluation, including the laying down of objectives and criteria to adopted for evaluation of different persons, feedback to the persons being evaluated and an action plan based on the results.

Your company has established comprehensive policies for the appointment of directors, including criteria for determining their eligibility and remuneration. These policies ensure that only qualified individuals serve as directors, key managerial personnel, or members of the senior management team. The guidelines cover the entire process from selection to continuous assessment, ensuring compliance with regulatory standards and maintaining the integrity and efficiency of the management team. In the opinion of the Board, the Independent Directors possess the integrity, expertise, and experience required.

The web links of the above mentioned policies are as follows:-
Fit and Proper Policy -
https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8be59952d.pdf
Remuneration Policy -
https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8c2af3bcd.pdf

21. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the board of directors, to the best of their knowledge and ability, confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

b. they 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 at the end of the financial year and of the profit of the company for that period;

c. they have taken proper and sufficient care for the 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 fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. Meetings of the Board of Directors

During the financial year under review, your company's board of directors met thirty-one times (31) on the following dates. Further details of the Committees formed by the Board and their meetings & attendance are forming part of the corporate governance report enclosed as an annexure to this report.

April 05,2023	April 06,2023	April 26,2023	May 08,2023	May 17,2023	May 22, 2023
May 26,2023	June 26,2023	June 27,2023	June 30,2023	July 12,2023	July 26,2023
July 28,2023	July 31,2023	August 02,2023	August 14,2023	August 19,2023	September 14,2023
September 27,2023	October 06,2023	October 18,2023	November 06,2023	November 14,2023	November 17,2023
November 28,2023	November 30,2023	December 08,2023	December 21,2023	February 03,2024	February 14,2024
March 29,2024					

23. Internal Financial Control & Internal Audit

As per the provisions of Section 134(5)(e) of the Companies Act, 2013, your directors have an overall responsibility for ensuring that your company has implemented robust systems and a framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational, and compliance risks.

Your company has a well-structured audit department to perform timely and frequent internal audits of all the branches and head office to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance with the company's guidelines and other statutory requirements. The Board of Directors is satisfied with the processes overall internal audit setup and will look forward to further strengthen the audit department in coming year.

The Board of Directors considered the following qualified opinion raised by the auditor, under the Report on the Internal Financial Controls as part of Annexure "A" to the Independent Auditors Report. (Standalone Financial Statements).
"The company's internal financial controls with respect to the auction policy including KYC norms for the bidders are not operating effectively."

In our opinion and based on our examinations, the company has well laid out auction policy which is being implemented at ground level and being supervised by managing director. The entire auction process has multiple checks and balances built across the lifecycle of the auction process. In terms of auction bidder, the company has auctioned the gold to registered vendors as well as few of the individual bidders. While the KYC and all the registration details are available in the records, the KYC of few of the individual bidders could not be ascertained despite multiple efforts made by the company. The Board has taken note of the same. However entire auction proceeds are posted against the auctioned loans. While the Company has been doing auction in the last two years following the same process, Statutory Auditors did not raise any concern on Auction Process during FY23 Statutory Audit and subsequently in the last three quarters Limited Review. However the concerns raised now are already addressed by the management and auction is not done with the Bidders without KYCs.

Your Company has a strong Internal control system, and the team size has been commensurate with the business growth. Your Company's Internal Auditor, reviews internal control, risk management measures, accounting procedures, highlight areas required attention, and report their main findings and recommendations to the Audit Committee. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee reviews and evaluates the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in our internal financial controls during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls.

24. Auditors and report

a. Statutory Auditors

The Statutory Auditor of the Company, M. Anandam & Co, Chartered Accountants", has submitted their resignation on June 03,2024 requesting the Board of Directors to consider their resignation with effect from the closure of business hours on June 02,2024. The said resignation was accepted and the Board has taken note of the same.

In accordance with Section 139 of the Companies Act, 2013, and the Companies (Audit and Accounts) Rules, 2014, and upon the recommendations of the Audit Committee and the Board of Directors, the shareholders at the Extraordinary General Meeting held on June 27, 2024, have appointed G C Reddy & Associates, Chartered Accountants (Firm Registration No. 010074S), as the Statutory Auditor of the Company until the ensuing Annual General Meeting.

The Board of Directors in their meeting held on the date of signing this report has recommended appointment of G C Reddy & Associates, Chartered Accountants (Firm Registration No. 010074S) as the Statutory Auditor in compliance with the provisions of Section 139 of the Companies Act, 2013, and the Companies (Audit and Accounts) Rules, 2014,from the ensuing Annual General meeting till the conclusion of next Annual General Meeting to be held in 2025.

Qualification/ Reservation/ Adverse remark / Disclaimer of Statutory Auditors on Financial Statements for FY24:

The Statutory Auditors' Report of the Standalone and Consolidated financial statements is unqualified. The Statutory Auditors have not made any adverse comments or given any qualification, reservation, or adverse remarks or disclaimer in their Audit Report on the Financial Statements.

Fraud Reported by Auditors:

During the financial year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Act.

b. Internal Auditors:

Your company had appointed Mr. Naveen Kyama, Chartered Accountant (Membership No. 267112), as Internal Auditor for the FY 2023-24 to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans, and statutory requirements.

For the year under review, the Internal Auditors have not submitted material qualifications, reservations or adverse remarks or disclaimers.

c. Secretarial Auditors

The provisions of the Companies Act, 2013 related to the appointment of a Secretarial Auditor are not applicable to the company. However, according to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this provision applies to a 'high-value debt listed entity' on a 'comply or explain' basis until March 31, 2025, and on a mandatory basis thereafter.

The company became a high-value debt listed entity as of February 2024. Since SEBI (LODR), 2015 allows time to implement the aforementioned provision on a mandatory basis until March 31, 2025, the company plans to utilize this time frame to comply with the regulations.

d. Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

25. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pursuant to Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014 is as follows:

a. Conservation of Energy

Your company, being an NBFC (Non-Banking Finance Company), does not have activities involving the conservation of energy. However, your company has taken adequate measures for the conservation of energy. Your company uses electric energy for its equipment such as air conditioners, computer terminals, lighting, and utilities on the work premise.

S.No	Particulars	Details
1	The Steps taken or impact on conversation of energy	The company's operation does not consume significant amount of energy
2	Steps taken by company for utilizing alternate source of energy	Not applicable
3.	The capital investment in energy conservation equipment	Not applicable

b. Technology Absorption

Adopting the suggestion issued by Government of India

The government of India suggested NBFC to take proactive steps by increasing the use of electronic payments systems, elimination of post-dated cheques and gradual phased out cheques in their day to day business transactions which would promote cost-effective transactions and faster and accurate settlements. Your Company has been in the forefront in implementing latest information technology and tools to implement the suggestion given by government of India and also to render quality service to their borrowers.

Centralized Surveillance of Gold Storage vault & Digital Locker for pledged Gold

Your Company has implemented digital locker facility to protect the gold pledged by the borrowers. Each of the Gold storage vaults is monitored centrally through Live CCTV and can only be accessed via code provided by the officials from HO (Head Office). This initiative taken by the Company improved business efficiency, improved control and ease of operation and improved risk management practice.

For other application/software the company avails services from 'Fins Technologies Limited (FINs)' which designs applications for your company

S.No	Particulars	Details
1	The effort made toward technology absorption	Your Company collaborates with 'Fins Technologies Limited (FINs)' to develop applications that offer innovative technological solutions tailored to the services provided by NBFCs.
2	The benefits derived like product improvement cost reduction product development or import substitution	Your Company receives a customized application that meets its business requirements and improves operational efficiency. Since Keertana is an NBFC, the cost of its products or services is not influenced by the technology it adopts.
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. The details of technology imported b. The year of import c. Whether the technology has been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, the reasons thereof	Not applicable
4	The expenditure incurred on research and development	Not applicable

e. Foreign exchange earnings and outgo –

This clause is not applicable as there are no foreign exchange earnings or outgo during the FY under review.

26. Particulars of Related Party Transactions

Your Company has entered into various Related Party Transactions during the FY 2023-24 which were in the ordinary course of business and made on terms equivalent to those that prevail in arm's length transactions.

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to note 36 to the standalone Financial Statements which sets out related party disclosures pursuant to IND AS-24 and Form AOC-2 which is enclosed as part of this report.

Your Company has formulated a policy on dealing with Related Party Transactions. The same is available on the Company's website, weblink of the same is given below:

https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8c389cd31.pdf

27. Particulars relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy on prevention of sexual harassment is also uploaded on the website of your company and can be accessed by following the link given below.

https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8c19f205a.pdf

List of Initiatives taken by Company under POSH for FY 2023-24

- Your Company conducts quarterly POSH Internal Complaints committee meetings to ensure that all registered complaints are resolved, although no complaints were received during the financial year under review. These meetings also serve to enhance awareness among employees.
- A POSH course is conducted immediately upon the induction of a new joiner.
- A POSH awareness session is conducted for all employees at least once during the financial year.

Total no. of Complaints received during the FY under review

There are no pending complaints either at the beginning or at end of the FY 2023-24. The following is the summary of the complaints received and disposed during the financial year under review:-

No. of Complaints received	Zero (0)
No. of Complaints disposed	Zero (0)
No. of Complaints pending at the end of FY	Zero (0)

28. Whistle Blower Policy/ Vigil Mechanism

Your Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism as per the applicable laws for employees and others to report concerns about unethical behaviour. It also provides for adequate safeguards against the victimisation of employees who avail of mechanism. No person has been denied access to the Chairman of the audit committee.

The Whistle blower Policy is available on the website of the company and you can access the policy by clicking on the following link :

https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8c48e9220.pdf

29. Significant and Material Orders Passed by the Regulators or Courts

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

30. Material Changes and Commitments

There were no material changes and commitments affecting the financial position of your Company which occurred between the end of the financial year to which the financial statement relates on the date of this report.

31. Application under Insolvency and Bankruptcy Code, 2016

Your Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the FY 2023-24.

32. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The Company has not made any such valuation during the FY 2023-24.

33. Compliance with Secretarial Standards

Your Company has followed the applicable Secretarial Standards, i.e SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

34. Particulars of Employees and related disclosures

The definition of a listed company has been modified by the Ministry of Corporate Affairs through a notification dated January 22, 2021. According to the provisions of Section 2(52) of the Companies Act, 2013, private companies that have listed their non-convertible debt securities on a private placement basis on a recognized stock exchange, in accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, are not considered listed companies. Therefore, the disclosure requirement under Section 197(12) of the Companies Act, along with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

35. Particulars of Employees and related disclosures

1. There has been no change in the nature of business of the Company during the FY 2023-24 under review.
2. No Director of the Company is in receipt of any remuneration or commission from the subsidiary company except the sitting fee.
3. The Company has been not issued any shares (including sweat equity shares) to employees of the Company under any scheme during the FY under review.
4. The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. The provisions related to the transfer of unpaid/unclaimed dividend to the Investor Education and Protection Fund (IEPF) is not applicable to the Company, as there are no amounts related to unpaid or unclaimed dividends during FY 2023-24.
6. Your Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
7. Your Company has made its disclosures on its website, https://keertanafin.in/. All the regulatory disclosures, compliances, public notices and policies have been regularly updated. Our customers can also reach us through our toll-free helpline number and submit any complaints or grievances, if any, etc.
8. Your Company has dematerialized its equity shares with the National Securities Depository Limited (NSDL) as on date 99.31% of holding is in DEMAT form. All the NCDs are issued in dematerialised mode only.
9. The Management Discussion and Analysis including report is included as part of this annual report.

36. Acknowledgment and Appreciation

Your Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Central and State Governments and its statutory agencies for the support,

guidance and co-operation, to the Investors, shareholders Bankers and other financial institutions and customers for the whole hearted support and confidence reposed on the company and the management and to the general public at large for their blessings and good wishes the company has been receiving in good measure over the years.

On behalf of the Board of Directors Keertana Finserv Private Limited

sd/-	sd/-
Padmaja Gangireddy	Vara Prasad Chaganti
Managing Director	Independent Director
DIN – 00004842	DIN- 9425725

Place :
Date :

Administrative Office :-
Keertana Finserv Private Limited
Ramky Selenium Towers,
2nd Floor, Plot No 31 Part & 32, Financial District,
Nanakaramguda, Hyderabad, Telangana, India, 500032

Registered Office :-
Office No 919, 9th Floor, 4A,
Regus Granduer, Abanindra Nath Thakur Sarani,
PS Arcadia Central (Camac Street), Park Street, Kolkata,
West Bengal, India, 700016

SUBSIDIARY REPORTING

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A – Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

SR. No.	Particulars	Keertana Financial Limited
1.	The date since when subsidiary was acquired	May 04,2023
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Financial Year ending March 31,2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Subsidiary and the amount is in Indian Rupee
4.	Share capital	1195.69
5.	Reserves and surplus	55.07
6.	Total assets	1259.51
7.	Total Liabilities	1259.51
8.	Investments (Non- Current Investment)	1211.98
9.	Turnover	57.23
10.	Profit before taxation	27.21
11.	Provision for taxation	---
12.	Profit after taxation	28.32
13.	Proposed Dividend	---
14.	Extent of shareholding (in percentage)	100%

Note :- There is only one subsidiary to Keertana Finserv Private Limited, the details of the subsidiary is given in the above mentioned table

Part B – Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not applicable

On behalf of the Board of Directors Keertana Finserv Private Limited

sd/-
Padmaja Gangireddy
Managing Director
DIN – 00004842

sd/-
Vara Prasad Chaganti
Independent Director
DIN- 9425725

CORPORATE SOCIAL RESPONSIBLITY: (CSR)

1. Brief outline on CSR Policy of the Company

Keertana Finserv Private Limited has formulated a Corporate Social Responsibility Policy (referred to as 'CSR Policy') in line with its core objectives, principles, and values. This policy outlines the principles and procedures for carrying out various programs as mandated by Section 135 of the Companies Act 2013.

The governance of CSR activities at Keertana is overseen by a CSR Committee established by the Board of Directors. This committee is responsible for formulating and transparently monitoring the implementation of CSR projects, programs, and activities. Our CSR initiatives are in line with Schedule VII of the Companies Act, 2013, with a preference for spending in local areas.

The Company is committed to being a socially and environmentally responsible corporate entity. It aims to actively contribute to society and the environment. While acknowledging its limitations, the Company prioritizes quality over quantity in its CSR initiatives. It focuses on projects with significant positive outcomes and impact. Additionally, the Company directs its efforts towards the communities where it operates, emphasizing their development as a primary objective.

2. Composition of CSR Committee

Sr. No.	Name of Members of CSR Committee	Designation in the CSR Committee	Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mrs. Padmaja Gangireddy	Chairperson	Managing Director	1	1
2	Mr. Vara Prasad Chagant	Member	Independent Director	1	1
3	Mr. Vijaya Sivarami Reddy Vendidandi	Member	Director	1	1

3. Web-Link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are Disclosed on the Website of the Company

The Composition of the CSR Committee is available on the website of the Company at :-
https://keertanafin.in/board_and_committees

The CSR Policy approved by the Board is available at
https://keertanafin.in/CODEBASE/public/uploads/Investor/660a8bd1dfa4a.pdf

'Keertana Finserv Private Limited' has contributed to project initiated by trust named - ' Hare Krishna Movement India' which has fulfilled eligibility criteria to carry on CSR activities. The object of such contribution was to promote the activity listed in clause v of Schedule VII of the Companies Act,2013 which is as follows :-

"Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts"

4. Details of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule 8 Of The Companies (Corporate Social Responsibility Policy) Rules, 2014

During the financial year under review, the relevant provisions of the Companies Act, 2013 and the rules made there under relating to impact assessment of CSR projects, were not applicable to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules,2014 and amount required for set off for the Financial year, if any – Not applicable

6. Average Net Profit of the Company as per Section 135(5)

Average net profit of the company for the previous three financial years: ₹72,478,894

7. Amount required to be spent on CSR Activities/ CSR Project

Sr. No.	Particulars	Details
a	Two percent of average net profit of the company as per Section 135(5)	₹14,49,578
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
c	Amount required to be set off for the financial year, if any	NIL
	Total CSR obligation for the financial year (a+b-c)	**₹14,49,578**

8.

a. CSR amount Spent or Unspent for the Financial Year under review

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Amount	Date of transfer
₹14,49,578	**NA**	**NA**	**NA**	**NA**

b. Details of CSR Amount spent against on-going projects for the Financial Year

Sr.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c. Details of CSR amount spent against other than On-going projects for the Financial Year

Sr.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1.	Hare Krishna Heritage Tower – Setting upPublic Libraries	Clause v of Schedule VII of the Companies Act,2013 - Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Yes	Hyderabad	₹14,49,578	No- through Trust	Hare Krishna Movement India CSR Registration No. CSR00005738

d. Amount spent in Administrative Overheads – Nil

e. Amount spent on Impact Assessment, if applicable – Not applicable

f. Total amount spent for the Financial Year (8b+8c+8d+8e)

₹14,49,578 (Rupees Fourteen Lakhs fourty nine Thousands five Hundred seventy eight Only.)

g. Excess amount for set off, if any

Sr. No.	Particulars	Amount
1.	Two percent of average net profit of the company as per section 135(5)	₹14,49,578
2.	Total amount spent for the Financial Year	₹14,49,578
3.	Excess amount spent for the financial year [(2)-(1)]	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years [(3)-(4)]	NIL

9. Other Details

(a) Details of Unspent CSR amount for the preceding three financial years –

S.No	Preceding Financial Year	Amount transferred to unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)
Not Applicable					

b). Details of CSR amount spent in the Financial Year for On-going Projects of the Preceding Financial Year(s)

S.No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/ Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-Wise Details)

a	Date of creation or acquisition of capital asset(s)	Not Applicable
b	Amount of CSR spent for creation or acquisition of capital asset	
c	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
d	Provide details of the capital asset(s) created or acquired(including complete address and location of the capital asset).	

11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –

Not applicable

On behalf of the Board of Directors Keertana Finserv Private Limited

sd/-
Padmaja Gangireddy
Managing Director
DIN – 00004842

sd/-
Vara Prasad Chaganti
Independent Director
DIN- 9425725

Place :
Date :

Administrative Office :-
Keertana Finserv Private Limited
Ramky Selenium Towers,
2nd Floor, Plot No 31 Part & 32, Financial District,
Nanakaramguda, Hyderabad, Telangana, India, 500032

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

At Keertana Finserv Private Limited (referred to as 'Company'), we believe that good corporate governance fosters trust, transparency, and accountability, essential for long-term investment and business integrity. This foundation supports growth and resilience, rooted in unchanging values that form the cornerstone of our effective governance and stellar reputation. Your Company's Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information with its stakeholders so that they can make informed decisions. The Company is in compliance with the Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (hereinafter referred as 'RBI Master Directions') and the applicable to SEBI LODR Regulations.

Governance Structure and Defined Roles and Responsibilities

Your Company's governance structure is composed of the Board of Directors, Committees of the Board and Management. Your Company encompasses the structure, practices and process adopted in every sphere of the Company's operations to provide long term value to its stakeholders through ethical behaviour in doing business. Your Company transforms there core values into business policies and practises with the aim of sustainable growth for all its stakeholders. Your Company believes that adopting and adhering to the best standards of Corporate Governance encourages the Company to build a trustworthy, moral and ethical environment. The Company duly acknowledges its fiduciary role and responsibility towards all of its stakeholders, including shareholders and strives hard to meet their expectations.

Board of Directors ('The Board')

The Board of directors represents the interests of the Company's stakeholders, oversees and directs the Company's overall business and affairs, reviews corporate performance, monitors strategic decisions and has oversight on regulatory compliance and corporate governance matters and provides the management with guidance and strategic direction. The Board, along with its various Committees, provides leadership and guidance to the Company's management and directs, supervises and ensures the functioning of the Company in the best interest of all stakeholders.

Overview of Board Composition

Your Company's Board is constituted of highly experienced professionals from diverse backgrounds which consists of values of collaborative spirit, expert thinking and a primary role of trusteeship to protect and enhance stakeholders' value through strategic supervision. The Board provides direction and exercises appropriate controls. The Company's Board has an appropriate mix of Independent and Non-independent Directors as well as non-executive and executive directors. The composition of the Board is in conformity with the applicable provisions of the Companies Act,2013 (hereinafter referred to as 'The Act') and the regulatory requirements and is in accordance with the highest standards of Corporate Governance.

1. Composition of the Board & Details of Board of Directors' Meeting :-

Sr.No	Name of Director	Director Since	Capacity	DIN	Number of Board Meetings		No. of other Directorship	Remuneration (Salary/ Sitting Fee/ Commission)	No. of shares held in convertible instruments held in the Keertana	Last AGM attended
					Held	Attended				
1	Raghu Venkata Harish	30-03-2022	Independent Director	06792543	31	27	2- Active	Sitting fee of Rs. 8 Lakhs per annum	Nil	No
2.	Vara Prasad Chaganti	30-03-2022	Independent Director	09425725	31	31	2- Active	Sitting fee of Rs. 8 Lakhs per annum	Nil	No
3.	Mahesh Payannavar	27-02-2023	Independent Director	00230347	31	30	3- Active 1- Strike Off	Sitting fee of Rs. 8 Lakhs per annum	Nil	Yes
4.	Padmaja Gangireddy	03-11-2022	Managing Director – Executive Director	00004842	31	30	1- Active	Remuneration of Rs.67 lakhs was paid during the financial year under review	2,13,42,000 (20.45%)	Yes
5.	Vijaya Sivarami Reddy Vendidandi	02-11-2022	Non- Executive Director (Promoter)	03169778	31	23	2- Active 2- Strike Off	Nil	7,98,63,230 (76.54%)	Yes

Change in the Board of Directors

The Board of Directors of the Company in their meeting held on September 27, 2023 changed the designation of the following directors from Professional Directors to Independent Directors (i) Vara Prasad Chaganti (DIN 09425725) (ii) Raghu Venkata Harish (DIN 06792543) (iii) Mahesh Payannavar (DIN 00230347)

Independent Directors

The Independent Directors who are appointed for a specific term acts as a guide, coach and mentor to the Company. The role of Independent Directors includes improving corporate credibility and governance standards and helping to manage risks.

Fit & Proper Criteria

The Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions.

Familiarisation Programmes for the Independent Directors

The Familiarisation Programme of your Company endeavours to familiarise Independent Directors with the NBFC industry scenario and to keep the Independent Directors in the loop with matters relating to the industry in which the Company operates, its business model, the operational and financial performance of the Company, risk matrix, mitigation and management, governing regulations, overall socio economic regime of the industry, information technology including cyber security, and major developments and updates on the Company so as to enable them to take well-informed decisions in a timely manner.

2. Committee Details

I. Audit Committee

The Board of Directors has constituted a qualified and independent Audit Committee as required under Section 177 of the Companies Act, 2013, and in compliance with the provisions of RBI Master Directions, 2016. The Committee consists of three members who are eminently qualified to serve as members of the Audit Committee. An Independent Director serves as the Chairman of the Committee, and the Company Secretary acts as the Secretary of the Audit Committee

The Audit Committee met four times during the financial year under review. The meeting dates were as follows: 14-11-2023, 03-02-2024, 14-02-2024, and 29-03-2024. The constitution, record of attendance, and other details of the Audit Committee of the Company are provided below:

Composition, Meetings and Attendance as on March 31,2024

S.No	Name of Director	Member of the Committee	Capacity	Number of Board Meetings		No. of shares held in and convertible instruments held in the Keertana
				Held	Attended	
1	Mahesh Payannavar	Chairperson	Independent Director	4	4	Nil
2.	Vijaya Sivarami Reddy Vendidandi	Member	Non- Executive Director	4	4	7,98,63,230 (76.54%)
3.	Vara Prasad Chaganti	Member	Independent Director	4	4	Nil

Terms of Reference

a. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company

b. Review and monitor the auditor's independence, performance, and effectiveness of the audit process

c. Examination of the financial statement and the auditors' report thereon

d. Approval or any subsequent modification of transactions of the Company with related parties

e. Scrutiny of inter-corporate loans and investments

f. Valuation of undertakings or assets of the Company, wherever it is necessary

g. Evaluation of internal financial controls and risk management systems

h. Monitoring the end use of funds raised through public offers and related matters

i. Overseeing the vigil mechanism

II. Nomination and Remuneration Committee

The Board of Directors constituted the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act,2013 and RBI Master Directions. The Committee is chaired by an Independent Director, with the Company Secretary serving as the Committee's Secretary.

The Nomination and Remuneration Committee convened three times during the financial year under review, on the following dates: 14-11-2023, 21-12-2023, and 29-03-2024. Details regarding the constitution, attendance record of meetings, and other relevant information about the Nomination and Remuneration Committee are provided below:

Composition, Meetings and Attendance as on March 31,2024

S.No	Name of Director	Member of the Committee	Capacity	Number of Board Meetings		No. of shares held in and convertible instruments held in the Keertana
				Held	Attended	
1	Raghu Venkata Harish	Chairperson	Independent Director	3	3	Nil
2.	Mahesh Payannavar	Member	Independent Director	3	3	Nil
3.	Vara Prasad Chaganti	Member	Independent Director	3	3	Nil

Terms of Reference

a. Identify persons who are qualified to become Directors & KMPs in accordance with the criteria laid down, and recommend to the Board their appointment;

b. Formulate the criteria for determining the qualifications, positive attributes and independence of a Director & KMPs;

c. Ensure that the Board comprises a balanced combination of Executive Directors & Non-Executive Directors, as well as Independent Directors;

d. Decide/approve details of fixed components, variable components and performance linked incentives for the employees along with their performance criteria;

e. Annually evaluate and report to the Board the performance and effectiveness of the Directors & KMPs fulfilling their roles and responsibilities in a manner that achieves the objectives of the Company as a successful organisation;

f. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for an orderly succession of Directors & KMPs;

g. Making recommendations to the Board concerning any matters relating to the continuation in office of any Directors & KMPs at any time including the suspension or termination of their services subject to the provisions of the law and their service contract; and

h. Such other roles and responsibilities as specified by the Board, from time to time;

i. Assess whether the prospective Director meets the 'Fit & Proper' criteria as prescribed by the RBI Master Directions.

Performance Evaluation of Directors

The performance evaluation of the Board, its Committees, Independent Directors, and Non-Independent Directors has been conducted in accordance with the relevant provisions of the Act and the applicable rules. To enhance the Board's effectiveness, the Nomination and Remuneration Committee has developed a methodology and criteria for evaluating the performance of the Board, its Committees, and each Director.

The evaluation of the Board's performance is based on approved criteria such as Board composition, strategic planning, the role of the Chairperson, independence from the entity, independent views and judgment, knowledge and participation, assessment of Non-Executive Directors and other senior management, evaluation of the timeliness and quality of information flow from the Company to the Board, and adherence to compliance and regulatory issues

The Board has expressed its satisfaction with the evaluation process.

III. Details of CSR committee

The Board constituted the Corporate Social Responsibility (CSR) Committee per the Companies Act, 2013, chaired by an Executive Director. Currently, the CSR committee consists of three directors, including an executive, a non-executive, and an Independent Director. The CSR committee convened once during the financial year, on 12-03-2024.

The CSR policy and detailed information are made available for public access on the company's website. Additionally, they are disclosed in the Annual CSR report, which is included as Annexure II to the Director's report.

Composition, Meetings and Attendance as on March 31,2024

S.No	Name of Director	Member of the Committee	Capacity	Number of Board Meetings		No. of shares held in and convertible instruments held in the Keertana
				Held	Attended	
1	Padmaja Gangireddy	Chairperson	Executive Director	1	1	2,13,42,000 (20.45%)
2.	Vijaya Sivarami Reddy Vendidandi	Member	Non- Executive Director	1	1	7,98,63,230 (76.54%)
3.	Vara Prasad Chaganti	Member	Independent Director	1	1	Nil

Terms of Reference

a. Formulating and recommending to the Board, a CSR Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013

b. Recommending the amount of expenditure to be incurred on the CSR activities

c. Monitoring the Corporate Social Responsibility Policy of the Company from time to time

d. Institute a transparent monitoring mechanism for the implementation of the CSR projects or programmes or activities undertaken by the Company

IV. Details of Risk Management Committee

The Board of Directors established the Risk Management Committee per the RBI Master Directions to identify and mitigate risks affecting the Company. The committee, as of March 31, 2024, comprises three members, including two Independent Directors.

The Risk Management Committee convened twice during the financial year under review, on 03-02-2024 and 29-03-2024. Details regarding the committee's constitution, meeting attendance records, and other relevant information are provided below:

Composition, Meetings and Attendance as on March 31,2024

S.No	Name of Director	Member of the Committee	Capacity	Number of Board Meetings		No. of shares held in and convertible instruments held in the Keertana
				Held	Attended	
1	Vara Prasad Chaganti	Chairperson	Independent Director	2	2	Nil
2.	Padmaja Gangireddy	Member	Executive Director	2	2	2,13,42,000 (20.45%)
3.	Raghu Venkata Harish	Member	Independent Director	2	2	Nil

Your company has a Board-approved Risk Management Policy and other internal policies to identify and assess all material risks. There is also a policy framework in place to manage the asset and liability profiles effectively.

Throughout the year, the Risk Management Committee reviewed the risks associated with the company's business, identified root causes, and assessed the effectiveness of mitigation measures. The Board adopted a Risk Management Policy to implement a consistent, efficient, and economical approach to identifying, evaluating, responding to, and mitigating key risks that may impact business objectives.

The Risk Management Policy, approved by the Board, is available on the company's website at https://keertanafin.in/investors/Policies.

V. Details of Asset- Liability Management Committee ('ALCO')

The Board of Directors constituted the Asset- Liability Management Committee ('ALCO') comprising of four (4) members as of March 31,2024.

The ALCO met (6) six times during the financial year under review, the dates of the meeting are as follows:- 22-01-2024, 22-02-2024,01-03-2024,04-03-2024,20-03-2024 and 28-03-2024. The constitution, record of attendance of meetings and other details of the Committee are given below:-

Composition, Meetings and Attendance as on March 31,2024

S.No	Name of the Member	Member of the Committee	Designation	Number of Meetings		No. of Shares held
				Held	Attended	
1	Padmaja Gangireddy	Member	Managing Director	6	6	2,13,42,000 (20.45%)
2.	Prakash Bhawnani	Member	Chief Financial Officer	6	6	Nil
3.	KLNV Prasad*	Member	SVP - Business Head	6	6	Nil
4	Siva Kumar Reddy	Member	SVP - Operations Head	6	5	Nil

*With effect from June 24, 2024, KLNV Prasad is no longer part of the above-mentioned committee due to his resignation. As of today, the committee consists of three members, excluding KLNV Prasad.

Terms of Reference

a. To review the overall framework for management of Liquidity Risk, Market Risk (Interest Rate Risk, Currency Risk), and efficacy of controls for managing the same.

b. To advise on the Business Plan of the Company from ALM and Liquidity management perspectives.

c. To Review & Assess the ALM profile and liquidity position of the Company.

d. To take decision on desired Maturity Profile and mix of Incremental Assets and Liabilities.

e. To approve Sale of Loan Assets as a source of funding or to generate liquidity

f. To act on various matters covered under the charter/ terms of reference of the ALCO, as approved by the Board of Directors.

g. To provide guidance to the Company on various matters which are referred to it by the Company's management

VI. Prevention of Sexual Harassment Policy, and information required to be disclosed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Board of Directors constitution the Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Committee comprises of four members the details of the committee is as follows:-

S.No	Name of the Committee	Designation in Company	Position in the Committee
1	Ms. Amreen Gulnaaz	Chief Compliance Officer	Presiding Officer
2.	Ms. J Jyothsna	Associate Vice President	Member
3.	Ms. Komal Ratlani	Company Secretary	Member
4.	Ms. Gaddam Jhansi Rani	ICC- External Member	External Member

Total no. of Complaints received during the financial year under review

There are no pending complaints either at the beginning or at end of the financial year under review. The following is the summary of the complaints received and disposed during the financial year under review:-

No. of Complaints received	Zero (0)
No. of Complaints disposed	Zero (0)
No. of Complaints pending at the end of FY	Zero (0)

Your Company has imparted training for Sexual Harassment of Women at Workplace as part of the induction training provided to the employees.

3. Shareholders Meeting/ General Body Meetings

S.No	Type of Meeting	Date and Place	Special Resolution passed
1	Annual General Meeting	May 19,2023 - Through audio visual means and recording was at the Administrative office of the Company	1. Approval of increase in the limit of borrowings upto Rs. 1200 crores for F.Y 2024 2. Issue of Non-Convertible Debentures (NCD's) on private placement basis 3. Regularization of Mr. Mahesh Payannavar as Director of the company 4. Approval for Issuance of rated, listed, senior, secured, redeemable, taxable non-convertible debentures (NCD'S) for Rs. 24 crores
2	Extraordinary General Meeting	September 30,2023 - Through audio visual means and at the Administrative Office of the Company	1. Alteration of AOA of the Company 2. Approval for increase in the limit of borrowings upto Rs. 1600 crores for F.Y 2024 3. Approval for issuance of Non-Convertible Debentures (NCD'S) upto Rs. 800 crores, in a year, on a private placement basis.
3	Extraordinary General Meeting	February 06,2024 Through audio visual means and at the Administrative Office of the Company	1.Increase in the authorised share capital of the Company. 2. Approval for acceptance of inter-corporate deposit upto Rs. 13 Crores from Keertana Financial Limited.
4	Extraordinary General Meeting	March 30,2024 - Through audio visual means and at the Administrative Office of the Company	1. Alteration of Memorandum of Association (MOA) of the Company 2. Increase in the borrowing power upto Rs.3300 Crores, including sublimit of upto Rs.1300 Crore for issuance for NCDs. 3. Issuance of NCDs through Private Placement upto Rs. 1300 Crores

4. Remuneration and/or sitting fee to Directors and Auditor's remuneration

The components of the Executive Director's compensation at Keertana Finserv Private Limited include fixed and variable pay, performance-linked variable pay, and other benefits. The Nomination and Remuneration Committee makes these decisions, which are then reviewed and approved by the Board of Directors. The same procedure applies to revisions in sitting fees.

Details of the remuneration of Directors will be provided in Form MGT-7 (annual return), and same will be available on the company's website at https://keertanafin.in/investors/Annual_Reports.

For further details, refer to Note No. 36 in relation to related party transactions disclosed in the notes to the Standalone Financial Statement.

5. Details of penalties and strictures

During the year under review, there were no instances of penalties levied by any regulatory authority.

6. Means of Communication

Your Company focuses on prompt, continuous and efficient communication with all its stakeholders. The Company has provided adequate and timely information to its members inter alia through the following means:-

i. Financial Results
The quarterly, half yearly and annual financial results of the Company were published in the leading national daily newspapers and the said financials are also posted on the company's website at https://keertanafin.in/investors/Financial_Reports

ii. Website
In compliance with Regulation 62 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations,2015, the Company has maintained a separate section i.e "Investors" on the Company's website providing all the announcements made by the Company, annual reports, financial results and policies of the Company.

7. Other disclosures

- **Breach of Covenant-** During the financial year ended March31,2024, no bank or financial institution or debenture trustee has issued any notice of breach of covenant in respect of loans availed or debt securities issued by the Company.

- **Disclosure on the Complaints (related to Business)-** During the financial year under review, the total no. of complaints received from customers/borrowers are 125 complaints and all the complaints were resolved. The same is disclosed in note no.52 of the Standalone Financial Statements.

- Your company has confirmed that there are no instances of non-compliance with the requirements of the Companies Act, 2013. This indicates that all statutory obligations and regulations have been adhered to as mandated by the Act.

- **Divergence in Asset Classification and Provisioning-** A detailed note on this matter is covered in the Standalone Financial Statements. For comprehensive information, please refer to Note No. 60 in those statements.

On behalf of the Board of Directors Keertana Finserv Private Limited

sd/-
Padmaja Gangireddy
Managing Director
DIN – 00004842

sd/-
Vara Prasad Chaganti
Independent Director
DIN- 9425725

Place :
Date :

Administrative Office :-
Keertana Finserv Private Limited
Ramky Selenium Towers,
2nd Floor, Plot No 31 Part & 32, Financial District,
Nanakaramguda, Hyderabad, Telangana, India, 500032

RELATED PARTY TRANSACTION

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – all the transactions are at arm's length basis. This section of the form aoc-2 is not applicable to the Company.

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board,if any:	Amount paid as advances, if any:
Mr. Vijaya Sivarami Reddy Vendidandi	Rent Paid	The lease agreements are executed for each calendar year. For this financial year, there are two agreements: one dated January 1, 2023, and another dated January 1, 2024.The agreement is renewed on yearly basis.	The administrative office is partly owned by Mr. Vendidandi Vijaya Sivarami Reddy and the company has taken the same on lease 12,778.50 sq.ft was taken on lease and the value of the transaction is Rs. 48.05 lakhs.	April 05,2023	NIL
Spandana Rural & Urban Development Organization (SRUDO)	1. Rent Paid	The lease agreements are executed for each calendar year. For this financial year, there are two agreements: one dated January 1, 2023, and another dated January 1, 2024.	The administrative office is partly owned by SRUDO and the company has taken the same on lease. The value of the transaction as approved by the Board of Directors is Rs. 23.25 lakhs .	April 05,2023	NIL
	2. Assets acquired	The Portfolio Transfer Agreement is executed on Oct 31st, 2023	SRUDO and Keertana Finserv Private Limited has entered into an agreement to transfer the Group Loans Portfolio as a going concern basis and the actual value of the transaction is Rs.2271 lakhs	September 27,2023	
Fins Technologies Limited (FINs)	Software Charges- Service Charges	Service Agreement dated Nov 01,2022 was executed for availing services from Fins Techno	Service agreement to use the software or application and the value of transaction approved by Board of Directors is Rs.65 lakhs	April 05,2023	NIL
Abhiram Marketing Services Limited (AMSL)	Purchase of fixed asset	Duration of the contract – This is on-going activity as it is in the ordinary course of business.	Keertana purchases fixed assets from Abhiram in the ordinary course of business. The Board of Directors has approved the value of transaction upto Rs.120 lakhs	April 05,2023	NIL
Abhiram Marketing Services Limited (AMSL)	Commission Income – Extending Financial services to AMSL's customer	MOU is entered with the party, the duration of the agreement is ongoing.	Depends on sale of the product and the commission differs from 4% and 6% depending upon nature of the transaction. The actual commission amount paid during the Financial Year is Rs. 37.15 lakhs	April 05,2023	NIL

On behalf of the Board of Directors Keertana Finserv Private Limited

sd/-
Padmaja Gangireddy
Managing Director
DIN – 00004842

sd/-
Vara Prasad Chaganti
Independent Director
DIN- 9425725

Place :
Date :

Administrative Office :-
Keertana Finserv Private Limited
Ramky Selenium Towers,
2nd Floor, Plot No 31 Part & 32, Financial District,
Nanakaramguda, Hyderabad, Telangana, India, 500032

INDEPENDENT AUDITOR'S REPORT

To the Members of Keertana Finserv Private Limited
(Formerly known as Rajshree Tracom Private Limited)

Report on the Audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Keertana Finserv Private Limited (Formerly known as Rajshree Tracom Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2024, the Standalone Statement of Profit and Loss (including other comprehensive Income), the Standalone Statement of Changes in equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

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 year. 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

Key Audit Matter	Auditor's Response
1.Compliance and disclosure requirement Compliance and disclosure requirements under the applicable Indian Accounting Standards (Ind AS), Reserve Bank of India RBI) guidelines and other applicable statutory, regulatory and financial reporting framework	• Assessed the systems and processes laid down by the Company to appropriately ensure compliance and disclosures as per the applicable Ind AS, RBI guidelines and other applicable statutory, regulatory and financial reporting framework. • Designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements. • Relied on internal records of the Company and external confirmations
2. IT Systems and Controls The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter	• Understood the IT systems and controls over key financial accounting and reporting systems. • Tested the general IT controls for design and operating effectiveness. • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit.

Key Audit Matter	Auditor's Response
As at 31 March, 2024, loan assets aggregated INR 1,56,942.59 lakhs (net of ECL INR 15,00.90 lakhs), which are measured at amortised cost, constituting 91.34% of the Company's total assets. As part of our risk assessment, we determined that significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Staging the loan assets i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories • Basis used for estimating Probabilities of Default ("PD"); • Basis used for estimating Loss Given Default ("LGD"); • Adjustments to model driven ECL results, to address emerging trends. Hence, we have considered the estimation of ECL as a Key Audit Matter	Principal audit procedures performed: • We have read and assessed the accounting policies and the policy on ECL approved by the Board of Directors of the Company. • We have verified the methodology adopted for computation of ECL ("ECL Model") on loan assets that complies with policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on the loan assets measured at amortised cost. • Our audit procedures related to the allowance for ECL on loan assets included the following, among others: 1. Testing the design and effectiveness of controls over the: 2. completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. 3. appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and 4. computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. 5. Also, for the samples tested included the following, among others: -the appropriateness of the qualitative factors applied by the Management for staging of loans as SICR or default categories in view of Company's policy on restructuring 6. We tested the input data used in estimating the PD; 7. We evaluated reasonableness of LGD estimates. 8. mathematical accuracy of the computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and
(ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' 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, 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 Standalone Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' to this report. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

(g) With respect to the other matters to be included in the Auditors' report in accordance with section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and

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

i. The Company does not have any pending litigations which would impact its financial position;

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

iii. There 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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has an accounting software for maintaining its books of accounts having the feature of recording audit trail (edit log) facility and the same has operated throughout the year of all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790

Place : Secunderabad
Date: 15.05.2024

UDIN:24022790BKAIJD8072

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

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

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

Qualified Opinion

We have audited the internal financial controls with reference to standalone financial statements of Keertana Finserv Private Limited (Formerly known as Rajshree Tracom Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2024, based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of Standalone financial statements of the Company for the year ended 31st March, 2024, and the material weakness do not affect our opinion on the Standalone Financial Statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls as at 31st March, 2024:

The company's internal financial controls with respect to the auction policy including KYC norms for bidders are not operating effectively

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

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

Inherent Limitations of Internal Financial Controls with reference to the standalone financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to the standalone financial statements.

Meaning of Internal Financial Controls with reference to the standalone financial statements

A company's internal financial control with reference to the standalone financial statements 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 with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790

Place : Secunderabad
Date: 15.05.2024

UDIN:24022790BKAIJD8072

Annexure "B" to the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company, we report that:

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets and hence reporting under clause 3(i)(a)(B) is not applicable.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties, Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment including Right�of-Use Assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not taken working capital limits in excess of Rs.5 Crore during the year, from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. (a) The Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.

(b) During the year, the company has not provided guarantees and security. In our opinion, having regard to the nature of the Company's business, the loans and advances in the nature of loans given and the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking (Systemically Important Non-Deposit) Finance Company, it is engaged in the business of granting loans to retail customers the entity-wise details of the amount, due date for payment and extent of delay have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 60 and Note 61 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans granted by the Company, an amount of Rs. 73.02 lakh is overdue for more than ninety days as disclosed in Note no. 41 and 61 of the financial statements. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with section 185 and 186 in respect of the loans granted, investments made, wherever applicable. The Company has not given guarantees or securities.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. According to the information and explanation given to us, the maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, and other statutory dues applicable to it with the appropriate authorities except in the case Goods and Services Tax on sale of gold under auction.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except INR 68.33 lakhs of Goods and Services Tax on sale of gold under auction.

b. There are no disputed statutory dues that have not been deposited on account of any dispute by the Company as on 31st March, 2024.

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

ix. a) The Company has not defaulted in repayment of loans or other borrowings and in the payment of interest thereon to any lender.

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

c) According to the information and explanations given to us and procedures performed by us, we report that the Company has applied the term loans for the purpose for which the loans were obtained.

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

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made private placement and preferential allotment of equity shares and complied with the requirements of section 42 and 62 of the Companies Act, 2013 and the amounts raised have been used for the purpose for which the funds were raised. Further, the Company has not issued convertible debentures during the year.

xi. a) In our opinion and based on our examination and enquiries with the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

b) During the year, 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.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii)(a) to (c) of the Order is not applicable.

xiii. In our opinion, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard 24 “Related Party Disclosures”.

xiv. a) In our opinion and based on our examination, the company’s internal audit system needs to be strengthened to commensurate with the size and nature and of its business.

b) We have considered internal audit reports for the year under audit issued to the company during the year and till date. xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a) The Company is a Non-Banking Finance Company and is required to obtain Registration under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.

b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting requirements under clause 3 (xvi)(c) of the Order is not applicable.

d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report

For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790

Place : Secunderabad
Date: 15.05.2024

UDIN:24022790BKAIJD8072

FINANCIAL STATEMENT FOR THE YEAR STANDALONE

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2024

(Currency : INR in Lakhs)

Particulars	Note No	As at March 31,2024	As at March 31,2023	As at April 01,2022
ASSETS				
1). Financial Assets				
a. Cash and cash equivalents	3	6,142.03	4,219.76	86.83
b. Bank balance other than cash and cash equivalents	4	1,639.24	108.22	-
c. Loans	5	1,56,942.59	61,888.79	187.89
d. Investments	6	1,221.25		
e. Other financial assets	7	814.35	183.91	-
		1,66,759.46	**66,400.67**	**274.72**
2). Non-financial assets				
Current Tax Assets (Net)	8	-	-	-
Deferred Tax Assets (Net)	9	823.30	202.24	
Property, Plant and Equipment	9	2,114.12	1,661.80	0.03
Right of use asset	10	1,801.81	1,543.88	-
Other non-financial assets		315.11	252.72	-
		5,054.33	**3,660.65**	**0.03**
Total assets		**1,71,813.80**	**70,061.32**	**274.75**
LIABILITIES AND EQUITY				
LIABILITIES				
1). Financial liabilities				
a. Payables				
(I) Trade payables	11			
(i) total outstanding dues of micro enterprises andsmall enterprises		2.62	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		76.04	62.29	0.13
b. Debt Securities	12	48,699.31	-	-
c. Borrowings (Other than Debt Securities)	13	80,947.19	50,646.02	-
d. Other financial liabilities	14	2,809.15	1,957.92	-
		1,32,534.32	**52,666.23**	**0.13**
2). Non-financial liabilities				
a. Current tax liabilities (Net)	15	256.42	455.45	0.78
b. Provisions	16	77.47	24.93	-
c. Deferred tax liabilities (Net)	8	-	-	0.01
d. Other non-financial liabilities	17	211.70	74.51	-
		545.60	**554.89**	**0.79**
EQUITY				
a. Equity share capital	18	10,434.48	6,431.13	124.76
b. Other equity	19	28,299.40	10,409.07	149.07
		38,733.88	**16,840.20**	**273.83**
Total liabilities and equity		**1,71,813.80**	**70,061.32**	**274.75**

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJD8072

For Keertana Finserv Private Limited

Padmaja Gangireddy
Managing Director
DIN: 00004842
Place : Hyderabad
Date: 15.05.2024

Vara Prasad Chaganti
Director
DIN: 09425725
Place : Hyderabad
Date: 15.05.2024

Prakash Bhawnani
Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

STANDALONE OF STATEMENT PROFIT AND LOSS
AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	Notes	As at March 31,2024	As at March 31,2023
Revenue From operations			
Interest income	20	24,557.38	9,038.76
Fees and commission income	21	2,120.68	142.49
Net gain on fair value changes	22	214.50	0.39
Total revenue from operations		**26,892.57**	**9,181.64**
Other income	23	790.08	5.53
Total income (I + II)		**27,682.65**	**9,187.17**
Expenses			
Finance costs	24	12,523.91	3,794.33
Impairment on financial instruments	25	1,165.25	389.48
Employee benefits expenses	26	3,530.45	1,897.01
Depreciation, amortization and impairment	27	607.75	400.60
Others expenses	28	930.02	552.14
Total expenses		**18,757.37**	**7,033.56**
Profit before tax (III - IV)		**8,925.27**	**2,153.61**
Tax Expense/(benefit) :			
Current Tax	29	2,388.02	756.45
Deferred Tax	29	-621.48	-202.25
Profit for the period (V-VI)		**7,158.73**	**1,599.41**
Other comprehensive income			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans (net of tax)		1.24	-
Subtotal (A)		**1.24**	-
Items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B) (VIII)		**1.24**	-
Total comprehensive income for the period (VII + VIII)		**7,159.97**	**1,599.41**
Earnings per equity share of face value of Rs. 10 each)	30		
Basic (Rs.)		8.89	2.89
Diluted (Rs.)		8.89	2.89

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
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Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

STANDALONE STATMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON MARCH 31, 2024

A. Equity Share Capital

(Currency : INR in Lakhs)

Particulars	Outstanding as on April 1, 2022	Issued during the FY 22-23	Outstanding as on March 31, 2023	Issued during the Year 23-24	Outstanding as on March 31, 2024
Issued, Subscribed and paid up - fully paid (Equity shares of Rs.10 each, Fully paid-up)	124.76	6,306.37	6,431.13	4,003.35	10,434.48

B. Other Equity

(Currency : INR in Lakhs)

Particulars	Reserve and Surpluse				Total
	Statutory Reserve	Securities Premium	Retained Earnings	Impairment Reserve	
Balance at April 1, 2022	16.20	69.62	63.25		149.07
Profit for the year			1,599.41		1,599.41
Other comprehensive income for the year					-
Total comprehensive income for the year (net of tax)					-
Transfer to Statutory Reserves	319.63		-319.63		-
Transfer to General Reserves					-
Issue of equity shares		8,660.60			8,660.60
Amounts utilised towards share issue expenses	-	-	-	-	-
Balance at March 31, 2023	335.83	8,730.22	1,343.03	-	10,409.07
Profit for the year	-	-	7,158.73	-	7,158.73
Other comprehensive income for the year	0.25	-	0.98	-	1.24
Total comprehensive income for the year (net of tax)	-	-	-	-	-
Transfer to Statutory Reserves	1,431.99	-	-1,431.99	-	-
Transfer to General Reserves	-	-	-	-	-
Issue of equity shares	-	10,730.36	-	-	10,730.36
Amounts utilised towards share issue expenses	-	-	-	-	-
Balance at March 31, 2024	1,768.08	19,460.58	7,070.75	-	28,299.40

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
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For Keertana Finserv Private Limited

Padmaja Gangireddy
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Prakash Bhawnani
Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

STANDALONE STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	As at March 31,2024	As at March 31,2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**8,925.27**	**2,153.61**
Adjustments for:		
Interest Income	-24,288.48	-9,036.10
Interest Income of Fixed Deposits	-268.91	-2.66
Fees and commission income	-2,120.68	-142.49
Interest on lease deposits	-6.96	-5.40
Fixed Asset written off	-	0.03
Depreciation, amortisation and impairment	607.75	400.60
Finance Cost on borrowings	12,255.31	3,606.71
Interest on lease liabilities	244.61	187.62
Impairment on financial instrument	1,165.25	389.48
(Profit)/Loss on sale of mutual funds	-214.50	-0.39
Provision for gratuity & leave enchasment	71.96	24.93
Cash used operations before working capital changes and adjustments for interest received and interest paid	**-3,629.36**	**-2,424.06**
Adjustments for changes in Working Capital :		
(Increase) in Loans	-2,53,489.44	-60,725.24
(Increase) in Other financial assets	-623.48	-233.69
(Increase)/Decrease in Other non-financial assets	-62.38	-252.72
Increase in Trade payables	16.38	62.16
Increase in Other financial liabilities	497.28	318.88
(Decrease) in Provisions	-17.77	-
Increase in other non-financial liabilities	137.19	74.51
	-2,53,542.22	**-60,756.09**
Interest income realised on financial assets	22,235.21	7,327.61
Cash inflow from Fees and commission income	1,61,444.33	485.84
Finance costs paid	-12,821.00	-3,691.08
Income tax paid (net of refunds)	-2,587.04	-301.79
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**-88,900.09**	**-59,359.58**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-794.32	-1,846.47
Purchase of Investment measured at FVTPL	-61,398.72	-1,380.00
Proceeds from sale of Investment measured at FVTPL	61,613.23	1,380.39
Investment in Subsidiary	-1,221.25	-
Interest income realised on Fixed deposits	216.14	0.02
Investment in deposits with original maturity of more than 3 months	-1,478.26	-105.58
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**-3,063.17**	**-1,951.64**

STANDALONE STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	As at March 31,2024	As at March 31,2023
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	14,746.74	15,014.26
Share issue expenses	-13.03	-47.30
Proceeds from Borrowings (other than debt securities)	1,26,413.46	66,478.00
Repayment of borrowings (other than debt securities)	-96,272.30	-15,747.61
Proceeds from Debt Securities	64,900.00	-
Repayment of debt securities	-15,475.00	-
Payment of lease liabilities	-414.34	-253.20
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**93,885.54**	**65,444.15**
Net Increase / (Decrease) in Cash and Cash Equivalents	**1,922.28**	**4,132.93**
Cash and Cash Equivalents at the beginning of Year	4,219.76	86.83
Cash and Cash Equivalents at the end of the Year	6,142.03	4,219.76
Components of Cash and Cash Equivalent:		
Cash on hand	935.15	452.70
Balance with banks (of nature of cash and cash equivalents)		
(a) Balances with banks (of the nature of cash and cash equivalents)	4,648.16	3,756.84
(b) Deposits with maturity less than 3 months	558.72	10.21
Total Cash and Cash Equivalents	**6,142.03**	**4,219.76**

The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash flows' as specified under Section 133 of the Companies Act, 2013, ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJD8072

For Keertana Finserv Private Limited

Padmaja Gangireddy
Managing Director
DIN: 00004842
Place : Hyderabad
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DIN: 09425725
Place : Hyderabad
Date: 15.05.2024

Prakash Bhawnani
Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company
Secretary
Place : Hyderabad
Date: 15.05.2024

NOTE 1.
CORPORATEINFORMATION

Keertana Finserv Private Limited ("the Company") was incorporated as a private limited Company on 14th February, 1996. The Debentures of the company are Listed on Bombay Stock Exchange Limited ("BSE"). The Company is primarily engaged in the business of financing Gold Loans, Loan Against Property and Housing Loans, Business Loans, Micro Enterprise Loans, and Consumer Loans to low-income customers in semi-urban and rural areas. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 09-01-2001 vide Regn No. B.05.03970. Under the scale based regulations, the Company is categorised in the Middle Layer. The Registered Office of the Company is at - Office No 919, 9th Floor, 4A, Regus Granduer, Abanindra Nath Thakur Sarani, PS Arcadia Central (Camac Street), Park Street, Kolkata 700016, West Bengal and its Corporate Office is at Plot No. 31 & 32, Ramky Selenium Towers, Tower A, Financial Dist. Nanakramguda, Hyderabad - 500 032, Telangana.

NOTE 2 :
SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the year ended March 31, 2024 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 prescribed u/s.133 of The Act, as amended from time to time, in this regard, any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable, including notification for Implemantation of Indian Accounting Standards circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI notification for implemantation of Ind AS') issued by RBI.

The Company has transitioned to Ind AS in the financial year 2023-24, accordingly, the financial statements for the year ended March 31, 2024 are prepared under Ind AS for the first time.

The Company's financial statements up to and for the year ended 31 March 2023 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs , collectively referred as "Previous GAAP".

The financial statements for the year ended March 31, 2023 and the opening Balance Sheet as at April 1, 2022 have been restated in accordance with Ind AS for comparative information.

Reconciliations and explanations of the effect of the transition from Indian GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is provided in Note 42 First Time Adoption.

Deemed cost on transition to Ind AS

For transition to IndAS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2022 (transition date)measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.2 Presentation of Financial Statements

The financial statement of the company are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 37 Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Company has consistently applied accounting policies to all the periods.

2.4 Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.5 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans , which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 'Impairment of Assets'

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees in lakhs upto two decimal places, except per share data and unless stated otherwise in compliance with Schedule III of the Act.

2.6 Summary of Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

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

b. 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 lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment on financial assets

The measurement of impairment losses on loan assets 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 policy to regularly its models in context of actual loss experience and adjust when necessary.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan, other post employment benefits and the present value of the gratuity obligation 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 and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Other accounting judments, estimates and assumptions

Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits, useful lives of property, plant and equipment, Right of Use Assets, valuation of deferred tax assets, fair value measurement of financial instruments, discount rate of lease liabilities, share based payments, provisions and contingent liabilities have been discussed in the respective policies.

2.7 Revenue recognition

a. Interest Income on loans

The Company earns interest income primarily by giving loans.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the economic benefits can be measured reliably.

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost.

Interest income on loans is recognised taking into account the amount outstanding and rate applicable.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

b. Fees & Commission Income

Commission income from portfolio loans are recognised on rendering of services. Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable.

c. Interest income on fixed deposits

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

d. Other income

Interest on overdue of loans and other ancillary charges are recognised upon realisation. All other income is recognised on an accrual basis upon satisfaction of performance obligation, when there is no uncertainty in the ultimate realisation/collection and income can be measured reliably

e. Net gain/loss on fair value changes

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

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/loss on fair value changes.

2.8 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

a. Initial recognition and measurement

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

b. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

B. Financial Liability

a. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost:

Financial liabilities (other than financial liabilities at fair value through profit and loss) are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss.

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs.or at fair value through other comprehensive income account

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- Debt instruments measured at amortised cost and fair value through other comprehensive income
- Loan commitments

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

- Stage 3 Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

Exposure at Default

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. Company has relied on peer benchmarking given the limited historical data points availability.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

The company has adopted an ECL model for recognition of impairment on financial instruments.

A reconciliation between the provisioning norms as stipulated by RBI and the provisioning under ECL by the company has been provided in Note 38 in the financial statements.

g. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 34 - Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

h. Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013, or in case of assets where the estimated useful life was determined basis technical evaluation carried out by the Group, over the useful life so determined.

Asset Description	Useful life estimated (years)
Furniture & Fixtures	10
Office Equipment	5
Computers & Printers	3
Servers	6
Vehicles	10
Vehicles - Commercial	8

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lesse

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

For a lease modification that is not accounted for as a separate lease, the company accounts for the remeasurement of the lease liability by:

(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The company recognised in profit or loss any gain or loss relating to the partial or full termination of the lease.

(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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 and equipment

The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its average incremental borrowing rate at the commencement date.. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

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

j. Employee benefits

Defined Contribution Plan:

The Company has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Company has no further obligation beyond making the monthly contributions.

The Company's contributions to the above Plan are charged to the Statement of Profit and Loss as and when they become due.

Defined Benefit Plan:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

Short term employee benefit:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period.

Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Other Employee Benefits:

The employees of the Company are entitled to compensated absence as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

k. Finance Cost

Company accounts finance costs on the borrowing using EIR methodology considering ancilliary cost incurred and premium payable on maturity

l. Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

(c) Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

m. Provision and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements.

n. Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

o. Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other 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, and bank overdrafts.

p. Statement of cash flows

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

q. Statutory reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss before any dividend is declared.

r. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company's functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3. Cash and cash equivalent

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Cash on hand	935.15	452.70	0.01
Balance with bank			
in current accounts	4,648.16	3,756.84	86.82
in fixed deposits with maturity less than 3 months	558.72	10.21	-
Total	**6,142.03**	**4,219.76**	**86.83**

4. Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Fixed deposits with maturity of more than 3 months	-	-	-
Fixed Deposits	1,639.24	108 .22	-
Total	**1,639 .24**	**108.22**	-

5. Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
A. Loans (at amortised Cost)			
Term loans	1,58,443.50	62,278.74	-
Inter Corporate Loans	-	-	188.36
Total (Gross)	1,58,443.50	62,278.74	188.36
Less: Impairment Loss allowance	1,500.91	389.95	0.47
Total (Net)	**1,56,942.59**	**61,888.79**	**187.89**
B. Loans (at amortised Cost)			
(I) Secured by tangible assets			
(i) Gold Loan	70,369.46	39,720.15	-
(ii) Loan Against Property / Housing Loans	7,992.79	3,207.15	-
Total (Gross) - (I)	**78,362.25**	**42,927.31**	**-**
Less: Impairment Loss allowance	339.65	177.55	-
Total (Net) - (I)	**78,022.60**	**42,749.76**	**-**
(II) Unseured			
(i) Micro Enterprise Loans (MEL)	65,663.61	13,088.19	-
(ii) Business Loans ('M'SME Loans)	7,036.90	6,262.68	-
(iii) Personal Loans/Consumer Loans	7,380.74	-	-
(iv) Corporate Loans	-	-	188.36
Total (Gross) - (II)	**80,081.25**	**19,350.87**	**188.36**
Less: Impairment Loss allowance	1,161.25	212.40	0.47
Total (Net) - (II)	**78,919.99**	**19,138.47**	**187.89**
Total (Gross) - (I) + (II)	**1,58,443.50**	**62,278.18**	**188.36**
Less: Impairment Loss allowance	1,500.91	389.95	0.47
Total (Net) - (I) + (II)	**1,56,942.59**	**61,888.23**	**187.89**
C. (I)Loans in India			
(i) Public Sector	-	-	-
(ii) Others	1,58,443.50	62,278.74	188.36
(II)Loans outside India	**-**	**-**	**-**
Total (Gross)	**1,58,443.50**	**62,278.74**	**188.36**
Less: Impairment Loss allowance	1,500.91	389.95	0.47
Total (Net)	**1,56,942.59**	**61,888.79**	**187.89**

5.1 There are no loans measured at Fair Value Other Comprehensive income or Fair value through Profit or Loss or Designated at fair value through Profit or Loss

5.2 Loans sanctioned and undisbursed amount to Rs. 729.64 lakhs as on 31 March, 2024 (31 March, 2023: 126.66 lakhs), and the same amount is disclosed under Other Financial Liabilities

5.3 The Company has balance of securitised assets amounting to Rs.27624.75 lakhs (31 March, 2023: NIL). These loan assets have not been de-recognised from the loan portfolio of the Company as these do not meet the de-recognition criteria. The Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors of Pass through Certificates (PTC). In terms of the said securitisation agreements, the Company pays to buyer/investor of Pass through Certificates (PTC) on monthly basis the prorated collection amount as per the respective agreement terms.

5.4 The Company has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2(76) either repayable on demand or without specifying terms/period. Refer related party disclosure (Note 36).

6. Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
(i) Mutual Funds (at Fair Value through Profit or Loss)	-	-	-
(ii) Equity Instruments			
Wholly owned Subsidiary (at amortised cost)	1,221.25	-	-
Total Gross (A)	**1,221.25**	**-**	**-**
(i) Investments outside India	-	-	-
(ii) Investments in India	1,221.25	-	-
Total Gross (B)	**1,221.25**	**-**	**-**
Less: Impairment loss Allowances (C)	-	-	-
Total (A) - (C)	**1,221.25**	**-**	**-**

6.1 Equity Instruments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Subsidiary (at amortised cost) Unquoted 1,19,56,947 equity shares of Keertana Financial Limited of Face value of Rs. 10/- each	1221.25	-	-

6.2.
There are no investments measured at Fair Value through Other Comprehensive Income.

6.3.
Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

7. Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Security Deposit Leases	198.61	154.75	-
Insurance Claims receivables	30.83	-	-
Other receivables	584.90	29.16	-
Total	**814.35**	**183.91**	**-**

7.1
Other receivables includes unbilled revenue of INR 215.19 Lakhs (Previous Year - NIL) relating to Marketing Support Income. Also includes receivable from related parties (refer note 36)

8. Deferred tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Tax effect of items constituting deferred tax liabilities:			
Difference in written down value of property, plant and equipment as per Companies Act and Income Tax Act	9.09	12.18	0.01
Difference in written down value of Right of Use assets as per Companies Act and Income Tax Act	453.48	388.56	-
Deferred Tax liabilities (total) (A)	**462.57**	**400.74**	**0.01**
Tax effect of items constituting deferred tax assets:			
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	377.75	73.58	-
Amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	368.37	86.42	-
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	19.50	16.28	-
Impact of leases under Ind AS 116	501.60	414.18	-
On Fair Value Changes of financial assets not adjusted under Income Tax Act, 1961	18.66	12.53	-
Deferred Tax liabilities (total) (A)	**1,285.88**	**602.98**	**-**
Total Deferred tax Asset/(liabilities) (Net)	**823.30**	**202.24**	**-0.01**

8.1. Movement in deferred tax assets

Particulars	As at March 31, 2023	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at March 31, 2024
Tax effect of items constituting deferred tax liabilities:				
Difference in written down value of property, plant and equipment as per Companies Act and Income Tax Act	884.17	-3.08	-	881.08
Difference in written down value of Right of Use assets as per Companies Act and Income Tax Act	388.56	64.92	-	453.48

Particulars	As at March 31, 2022	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at March 31, 2023
Tax effect of items constituting deferred tax liabilities:				
Difference in written down value of property, plant and equipment as per Companies Act and Income Tax Act	872.00	12.17	-	884.17
Difference in written down value of Right of Use assets as per Companies Act and Income Tax Act	-	388.56	-	388.56

Particulars	As at April 01, 2022	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at April 01, 2022
Tax effect of items constituting deferred tax liabilities:				
Difference in written down value of property, plant and equipment as per Companies Act and Income Tax Act	-	0.01	-	0.01

8.2. Movement in deferred tax assets

Particulars	As at March, 31 2023	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at March,31 2024
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	73.58	-304.17	-	377.75
Amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	86.42	-281.96	-	368.37
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	16.28	-3.63	0.42	19.50
On Fair Value Changes of financial liabilities not adjusted under Income Tax Act, 1961	410.85	-90.75	-	501.60
On Fair Value Changes of financial assets not adjusted under Income Tax Act, 1961	12.53	-6.13	-	18.66

Particulars	As at March 31,2022	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at March,31 2023
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	-	-73.58	-	73.58
Amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	-	-86.42	-	86.42
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	-	-16.28	-	16.28
On Fair Value Changes of financial liabilities not adjusted under Income Tax Act, 1961	-	-410.85	-	410.85
On Fair Value Changes of financial assets not adjusted under Income Tax Act, 1961	-	-12.53	-	12.53

9. Property, Plant and Equipment

Particulars	Furniture & Fixtures	Computers and printers	Servers	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount							
Deemed cost as at April 1, 2023	906.97	190.66	2.77	644.66	101.41	1,846.47	1,759.81
Additions	429.20	126.68	14.54	183.65	40.94	795.00	563.09
Disposals		0.69				0.69	39.41
As at Mar 31, 2024	**1,336.17**	**316.66**	**17.31**	**828.31**	**142.35**	**2,640.79**	**2,283.49**
Accumulated depreciation and impairment:							
As at April 1, 2023	52.55	38.33	0.43	84.64	8.73	184.67	215.93
Depreciation for the year	109.93	72.53	0.54	145.17	14.00	342.17	266.88
Disposals		0.17				0.17	1.12
As at Mar 31, 2024	**162.48**	**110.69**	**0.97**	**229.81**	**22.72**	**526.67**	**481.68**
Net book value							
As at April 1, 2023	**854.43**	**152.34**	**2.33**	**560.02**	**92.68**	**1,661.80**	**1,543.88**
As at Mar 31,2024	**1,173.69**	**205.97**	**16.33**	**598.50**	**119.63**	**2,114.12**	**1,801.81**
Previous Year (FY 2022-23)							
Gross carrying amount							
Deemed cost as at April 1, 2022		0.03				-	
Additions	906.97	190.66	2.77	644.66	101.41	1,846.47	1,759.81
Disposals		0.03				0.03	
As at March 31, 2023	**906.97**	**190.66**	**2.77**	**644.66**	**101.41**	**1,846.47**	**1,759.81**
Accumulated depreciation and impairment:							
As at April 1, 2022							215.93
Depreciation for the year	52.55	38.33	0.43	84.64	8.73	184.67	-
Disposals							
As at March 31, 2023	52.55	38.33	0.43	84.64	8.73	184.67	215.93
Net book value							
As at April 1, 2022	-	**0.03**	-	-	-	**0.03**	-
As at March31, 2023	**854.43**	**152.34**	**2.33**	**560.02**	**92.68**	**1,661.80**	**1,543.88**

9.1.
The Company has not revalued property, plant and equipment during the year ended 31st March 2024

10. Other non-financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Advance for Expenses	4.09	8.50	-
Capital Advances	84.37	111.28	-
Prepaid Expenses	71.29	31.30	-
Balance with Government Authorities	142.02	101.64	-
Other Consumables	13.34	-	-
Total	**315.11**	**252.72**	-

11. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade Payables			
Dues to micro enterprises and small enterprises	2.62	-	-
Dues to creditors other than micro enterprises and small enterprises	76.04	62.29	0.13
Total	**78.67**	**62.29**	**0.13**

11. Trade Payables Ageing Schedule

Particulars	As at March 31, 2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.62	-	-	-	2.62
(ii) Others	76.04	-	-	-	76.04
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
	78.67	-	-	-	**78.67**

Particulars	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	62.29	-	-	-	62.29
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
	62.29	-	**-**	-	**62.29**

Particulars	As at April 01, 2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	0.13	-	-	-	0.13
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
	0.13	-	**-**	-	**0.13**

12. Debt Securities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
At amortised cost			
Redeemable non-convertible debentures	48,699.31	-	-
	48,699.31	-	-
Out of Above			
Debt Securities in India	48,699.31	-	-
Debt Securities outside India	-	-	-
Total	**48,699.31**	-	-

12.1. Details of debt securities

(i) INE0NES07022: 2,400 (31 March, 2023: 0), @ 11.60% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 24 Crore. The date of allotment was 07 June, 2023. The amount outstanding as on 31 March, 2024 is Rs.13.2 Crores (31 March, 2023: Rs. Nil).

(ii) INE0NES07030: 15,000 (31 March, 2023: 0), @ 11.65% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 150 Crores . The date of allotment was 23 June, 2023 (Rs.20Crores) , 27th Jul,2023 (Rs.60Crores), and 17th August,2023(Rs.70Crores) . The amount outstanding as on 31 March, 2024 is Rs.83.175 Crores (31 March, 2023: Rs. Nil).

(iii) INE0NES07055: 3,000 (31 March, 2023: 0), @ 11.60% Unlisted, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 30 Crores . The date of allotment was 29 August, 2023. The amount outstanding as on 31 March, 2024 is Rs.20 Crores (31 March, 2023: Rs. Nil).

(iv) INE0NES07048: 10,000 (31 March, 2023: 0), @ 11.60% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 100 Crores . The date of allotment was 11 Sep, 2023 (Rs.50Crores) ,and26 Sep,2023 (Rs.50Crores). The amount outstanding as on 31 March, 2024 is Rs.70.3 Crores (31 March, 2023: Rs. Nil).

(v) INE0NES07063: 5,000 (31 March, 2023: 0), @ 11.60% Unlisted, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 50 Crores. The date of allotment was 20 October, 2023. The amount outstanding as on 31 March, 2024 is Rs.42.575 Crores (31 March, 2023: Rs. Nil).

(vi) INE0NES07014: 25 (31 March, 2023: 0), @ 14.90% Unlisted, Unrated, secured non-convertible debentures (NCD) of face value Rs. 1,00,00,000 each aggregating to Rs. 25 Crores. The date of allotment was 17 April, 2023. The amount outstanding as on 31 March, 2024 is Rs.15 Crores (31 March, 2023: Rs. Nil).

(vii) INE0NES07071: 16,000 (31 March, 2023: 0), @ 11.60% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 160 Crores. The date of allotment was 28 November, 2023(Rs. 50 Crores) and 15th December 2024 (Rs.110 Crores). The amount outstanding as on 31 March, 2024 is Rs.140.00 Crores (31 March, 2023: Rs. Nil).

(viii) INE0NES07089: 11,000 (31 March, 2023: 0), @ 11.50% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 110 Crores. The date of allotment was 20 February, 2024(Rs. 110 Crores). The amount outstanding as on 31 March, 2024 is Rs.110.00 Crores (31 March, 2023: Rs. Nil).

12.2.

All the above mentioned NCDs are having first and exclusive charge via deed of hypothecations signed over specific standard asset portfolio of receivables to the extent equal to an amount aggregating to the total outstanding such that the value of security shall be equal of 1.10 times). Further, NCDs detailed above in para (i) to (vi) are secured against personal guarantee of the Director.

12.3. Details of term of repayment

ISIN No	Type of NCD	Due of Date Redemption	Closing balance		
			As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
INE0NES07022	At Discount	31-01-2025	1,320.00	-	-
INE0NES07030	At Discount	22-02-2025	8,317.50	-	-
INE0NES07055	At Discount	28-02-2025	2,000.00	-	-
INE0NES07048	At Par	11-05-2025	7,030.00	-	-
INE0NES07063	At Par	20-06-2025	4,257.50	-	-
INE0NES07014	At Par	30-09-2025	1,500.00	-	-
INE0NES07071	At Par	28-11-2025	14,000.00	-	-
INE0NES07089	At Par	20-02-2026	11,000.00	-	-
Total			49,425.00	-	-
EIR Adjustment			725.69	-	-
Grand Total			48,699.31	-	-

13. Borrowings (Other than Debt Securities)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
At amortised cost			
Term loans			
from banks	29,773.32	15,658.13	-
from others	32,635.56	34,987.89	-
Loans against securitised assets	18,538.31	-	-
	80,947.19	**50,646.02**	-
Out of Above			
Secured Borrowings in India	80,947.19	47,698.02	-
Secured Borrowings outside India	-	-	-
Unsecured Borrowings in India	-	2,948.00	-
Unsecured Borrowings outside India	-	-	-
Total	**80,947.19**	**50,646.02**	-

13.1

Secured term loans from banks and financial institutions include loans from various banks and financial institutions and carry rate of interest in the range of 11.25% to 14.75% p.a (31 March, 2023: 11.00% to 15.00%). The loans are having tenure of 12 to 36 months (31 March, 2023: 12 to 36 months) from the date of disbursement and are repayable in monthly or quarterly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the Company. Further, term loans from Banks and NBFCs availed in FY 2022-23 are secured against personal guarantee of the Director.

13.2.

The Company is not a declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March, 2024 and 31 March, 2023

13.3.

The Company has borrowings from banks and financial institutions on the basis of security of loans and the quarterly details filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

13.4.

The Company has not defaulted in the repayment of debt securities, borrowings(other than debt securities) and interest thereon for the year ended 31 March, 2024 and 31 March, 2023

13.5.

The Company has utilised the borrowings for the purpose for which it was obtained.

13.6.

The Company has balance of securitised assets amounting to Rs.27624.75 lakhs (31 March, 2023: NIL). These loan assets have not been de-recognised from the loan portfolio of the Company as these do not meet the de-recognition criteria. The Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors of Pass through Certificates (PTC). In terms of the said securitisation agreements, the Company pays to buyer/investor of Pass through Certificates (PTC) on monthly basis the prorated collection amount as per the respective agreement terms.

13.7.

Loans against securities assets are include investment in equity tranche of PTC amounting to Rs. 103.7 Lakhs as at 31st March 2024 (Nil as at 31st March 2023)

13.8. Terms of repayments
As at March 31, 2024

Term Loans from	Tenure	Repayment	Interest Ranges	Due with in a year		Due with in 1 to 2 year		Due with in 2 to 3 year		Due with in 3 to 4 year		Total
				No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	
Bank	1 to 3 Years	Monthly	11%-12%	57	5.916.67	17	2.055.56	-	-	-	-	7,972.22
			12%-13%	83	7,303.70	59	5,037.29	-	-	-	-	12,340.99
			13%-14%	32	2,963.49	14	1,166.83	-	-			4,130.32
			14%-15%	7	665.43	-	-	-	-			665.43
		Quarterly	12%-13%	7	2,357.14	4	1,1142.86	-	-			3,500.00
			13%-14$	5	1,187.50	-	-	-	-			1,187.50
NBFC	1 to 3 years	Monthly	14%-15%	150	7,014.99	26	1,301.82	-	-			8,316.82
		Quarterly	13%-14%	12	4,425.00	11	4,006.25	3	750.00			9,181.25
			14%-15%	3	1,125.00	-	-	-	-			1,125.00
	3 to 4 years	Monthly	14%-15%	12	500.00	12	500.00	11	458.33			1,458.33
Loan Against securitised assets (PTC)	1 to 3 Years	Monthly	12%-13%	64	12,926.35	6	1,531.28	-	-			14,439.63
			13%-14%	22	3,250.59	4	696.55	-	-			3,947.15
Total												**80,871.47**
EIR Adjustment												**-75.72**
Total												**80,947.19**

As at March 31, 2023

Term Loans from	Tenure	Repayment	Interest Ranges	Due with in a year		Due with in 1 to 2 year		Due with in 2 to 3 year		Due with in 3 to 4 year		Total
				No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	
Bank	1 to 3 yr	Monthly	12%-13%	30	4,363.64	8	909.09	-	-	-	-	5,272.73
			13%-14%	22	1,869.18	7	674.46	-	-	-	-	2,543.63
		Quarterly	12%-13%	12	3,500.00	9	2,687.50	-	-	-	-	6,187.50
		Bullet	12%-13%	1	1,500.00	-	-	-	-	-	-	1500.00
NBFC	1 to 3 yr	Monthly	12%-13%	12	509.83	4	185.13	-	-	-	-	694.95
			13%-14%	114	7,604.90	35	2,035.09	-	-	-	-	9639.99
			14%-15%	250	10,801.02	100	4,689.03	13	860.97	-	-	16,351.02
			15%-16%	7	508.57	-	-	-	-	-	-	508.57
		Quarterly	14%-15%	3	1,125.00	-	-	-	-	-	-	1,125.00
		Bullet	10%-11%	1	2000.00	-	-	-	-	-	-	2000.00
	3 to 4 Years	Monthly	14%-15%	12	500.00	12	500.00	12	500.00	11	458.33	1,958.33
Total												**47,781.73**
EIR Adjustment												**2,864.29**
Total												**50,646.02**

13.9. Reconciliation of liabilities arising from financing activities

Particulars	Debt Securities	Securitization (PTC)	Borrowings (from Banks)	Borrowings (from Others)	Total
01st April 2022					
Cash flows:					
Repayments	-	-	3,929.61	11,818.00	15,747.61
Proceeds	-	-	19,490.00	46,988.00	66,478.00
Non Cash					
Amortisation of upfront fees and others(net)	-	-	56.79	210.05	266.84
Accrued interest(net)	-	-	154.53	27.94	182.47
31st March 2023	**15,658.13**	**15,658.13**	**15,658.13**	**34,987.89**	**50,646.02**
Cashflows:					
Repayments	15,475.00	5,951.59	28,813.93	61,506.78	1,11,747.30
Proceeds	64,900.00	24,338.46	43,050.00	59,025.00	1,91,313.46
Non Cash					
Amortisation of upfront fees and others(net)	827.07	93.80	132.46	207.25	1,260.58
Accrued interest(net)	101.38	245.24	109.32	154.60	610.53
31st March 2024	**48,699.31**	**18,538.31**	**29,773.32**	**32,635.56**	**1,29,646.50**

14. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Amount payable to borrowers	3.10	8.07	-
Lease liability	1,992.99	1,639.05	-
Employee Related Payables	82.83	172.49	-
Insurance premium collected and payable	0.59	11.66	-
Loans sanctioned but undisbursed (Refer note 5.2)	729.64	126.66	-
	2,809.15	**1,957.92**	-

15. Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Provision for income tax (net of advance taxes and TDS)	256.42	455.45	-
Total	**256.42**	**455.45**	**-**

16. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Provisions for Employee benefit expenses			
Provision for gratuity	21.49	6.88	-
Provision for Leave Encashment	55.98	18.04	-
	77.47	**24.93**	-

17. Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Statutory dues payable	211.70	74.51	-
Total	**211.70**	**74.51**	-

18. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Number	Amount	Number	Amount	Number	Amount
Authorised Capital Equity shares of INR 10 each	20,00,00,000	20,000	10,00,00,000	10,000	13,00,000	130
Total	**20.00.00.000**	**20,000**	**10,00,00,000**	**10000**	**13,00,000**	**130**
Issued, subscribed and fully paid-up share Equity Shares of INR 10 each fully paid up	10,43,44,801	10,434.48	6,43,11,288	6,431.13	12,47,630	124.76
Total	**10,43,44,801**	**10,434.48**	**6,43,11,288**	**6,431.13**	**12,47,630**	**124.76**

18.1. Reconciliation of number of shares

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	6,43,11,288	6,431.13	12,47,630	124.76	12,47,630	124.76
Shares issued during the Year	4,00,33,513	4,003.35	6,30,63,658	6,306.37	-	-
Outstanding at the end of the year	**10,43,44,801**	**10,434.48**	**6,43,11,288**	**6,431.13**	**12,47,630**	**124.76**

18.2. Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.3. Details of shareholder(s) holding more than 5% of equity shares in the Company :

Name of shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding
Vijaya Sivarami Reddy Vendidandi	7,98,63,230	76.54%	4,87,69,743	75.83%	8,47,447	67.92%
Padmaja Gangireddy	2,13,39,500	20.45%	1,24,44,823	19.35%	-	0.00%
Hina Ansari					4,00,183	32.08%

18.4. Details of shares held by promoters at the end of the year

As at March 31, 2024

Promoter name	No of Shares at the beginning of the year	Change during the year	No of Shares at the year end	% of total shares	% change during the year
Vijaya Sivarami Reddy Vendidandi	4,87,69,743	3,10,93,487	7,98,63,230	76.54%	63.76%
Padmaja Gangireddy	1,24,44,823	88,94,677	2,13,39,500	20.45%	71.47%
Revan Saahith Reddy Vendidandi	23,73,085	-	23,73,085	2.27%	-
Hina Ansari	4,00,183	-	4,00,183	0.38%	-
TOTAL	**6,39,87,834**	**3,99,88,164**	**10,39,75,998**	**99.65%**	**-**

As at March 31, 2023

Promoter name	No of Shares at the beginning of the year	Change during the year	No of Shares at the year end	% of total shares	% change during the year
Vijaya Sivarami Reddy Vendidandi	8,47,447	4,79,22,296	4,87,69,743	75.83%	56.55%
Padmaja Gangireddy	-	1,24,44,823	1,24,44,823	19.35%	100.00%
Revan Saahith Reddy Vendidandi	-	23,73,085	23,73,085	3.69%	100.00%
Hina Ansari	4,00,183	-	4,00,183	0.62%	0.00%
TOTAL	**12,47,630**	**6,27,40,204**	**6,39,87,834**	**99.50%**	

As at April 01, 2022

Promoter name	No of Shares at the beginning of the year	Change during the year	No of Shares at the year end	% of total shares	% change during the year
Vijaya Sivarami Reddy Vendidandi	-	8,47,447	8,47,447	67.92%	100.00%
Hina Ansari	-	4,00,183	4,00,183	32.08%	100.00%
TOTAL	**-**	**12,47,630**	**12,47,630**	**100.0%**	

18.5.

The Company (except disclosed above) has not allotted any shares for consideration other than cash, bonus shares and shares bought back for the five years immediately preceding the reporting date.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
FY 2023-24	Nil	Nil	**Nil**
FY 2022-23	Nil	Nil	**Nil**
FY 2021-22	Nil	Nil	**Nil**

19. Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Securities premium account	19,460.58	8,730.22	69.62
Statutory Reserve	1,768.08	336.08	16.20
Retained earnings	7,070.75	1,342.77	63.25
	28,299.40	**10,409.07**	**149.07**

A. Nature and purpose of reserve

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

Statutory reserve:
Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

Retained earnings:
Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

B. Movement in Other equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
I. Securities premium reserve			
Opening balance	8,730.22	69.62	69.62
Add : Premium received onissue of securities	10,743.39	8,707.90	-
Less : Share issue expenses	13.03	47.30	-
	19,460.58	8,730.22	69.62
Impact of first time adoption of Ind AS	-	-	-
	19,460.58	8,730.22	69.62
II. Special Reserve under section 45-IC of the Reserve Bank of India Act,1934			
Opening balance	336.08	16.20	12.38
Add : Transfer from retained earnings	1,431.99	319.88	3.82
	1,768.08	336.08	16.20
III. Retained earning			
Opening balance	1,342.77	63.25	47.96
Add : Profit for the year	7,158.73	1,599.41	19.10
Add : Other comprehensive income	1.24	-	-
Appropriations:			
Transfer to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	-1,431.99	-319.88	-3.82
Transferto General reserve	-	-	-
	7,070.75	1,342.77	63.25
Impactof first time adoption of Ind AS	-	-	-
Total	**28,299.40**	**10,409.07**	**149.07**

20. Interest income

Particulars	As at March 31, 2024	As at March 31, 2023
On financial assets measured at amortised cost		
Interest on term loans	24,288.48	9,036.10
Interest Income on fixed deposits	268.91	2.66
Total	**24,557.38**	**9,038.76**

21. Fees and commission income

Particulars	As at March 31, 2024	As at March 31, 2023
Fees and commission income	2,120.68	142.49
Total	**2,120.68**	**142.49**

22. Net gain on fair value changes

Particulars	As at March 31,2024	As at March 31, 2023
Netgain/(loss) on financial instruments at fair value through profit or loss		
Realised gain/(loss) on investments at FVTPL	214.50	0.39
Unrealised gain/(loss) on investments at FVTPL	-	-

23. Other income

Particulars	As at March 31,2024	As at March 31, 2023
Interest on lease deposits	6.96	5.40
Profit of derecognition of ROU	4.01	-
Marketing Support Income	779.11	0.13
Total	**790.08**	**5.53**

24. Finance costs

Particulars	As at March 31,2024	As at March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings - Debt Securities	3,079.03	-
Interest on borrowings - Others	9,176.28	3,606.71
Interest on lease liabilities	244.61	187.62
Interest on advance tax	23.98	-
Total	**12,523.91**	**3,794.33**

25. Impairment on financial instruments

Particulars	As at March 31,2024	As at March 31, 2023
On financial instruments measured at amortised cost		
Loans	1,142.19	389.48
Loss written off	23.07	-
Total	**1,165.25**	**389.48**

26. Employee benefits expenses

Particulars	As at March 31,2024	As at March 31, 2023
Salaries and wages	3,366.53	1,871.70
Contribution to provident and other funds	46.60	36.18
Directors' sitting fees	26.16	18.53
Staff welfare expenses	19.20	0.38
Compensated Absences	55.70	18.04
Gratuity Expenses	15.74	6.88
Interest Expense on EBO as per Acturial Report	0.52	-
Total	**3,530.45**	**1,951.71**

27. Depreciation, amortization and impairment

Particulars	As at March 31,2024	As at March 31, 2023
Depreciation on property, plant and equipment	342.00	184.67
Depreciation of Right of use assets	265.75	215.93
Total	**607.75**	**400.60**

28. Other expenses

Particulars	As at March 31,2024	As at March 31, 2023
Rent	191.70	73.47
Rates and taxes	65.52	30.56
Enerygy Costs	45.97	20.64
Repairs and maintenance	79.70	41.03
Office maintenance	115.95	60.83
Printing and stationary	81.26	32.35
Advertisement, publicity and sales promotion expenses	23.15	23.07
Communication cost	54.63	41.14
Auditor’s fees and expenses (Refer Note 28.1)	22.07	12.05
Legal and Professional charges	70.15	46.70
Insurance	27.34	20.05
Expenditure on Corporate Social Responsibility (Refer Note 31)	10.81	-
Travelling and conveyance	9.81	7.84
Bank Charges	44.96	104.70
Interest and Penalties	18.26	-
Fixed Assets Written Off	-	-
Expenses for Credit Information Companies (under RBI)	20.42	11.28
Security Charges	4.35	3.16
Staff Recruitment Charges	20.79	-
DP Custodian Fees	6.43	0.61
Miscellaneous expenses	16.72	4.09
Total	**930.02**	**533.62**

28.1. Payment to the auditors:

Particulars	As at March 31,2024	As at March 31, 2023
a)Statutory Auditor		
- Audit fees (inlcuding limited review)	18.54	9.27
- Certification services	0.30	0.19
- Other of pocket expenses	0.73	0.10
b) Income Tax Auditor		
- Tax audit fees	2.50	2.50
Total	**22.07**	**12.05**

29. Tax expense

Particulars	As at March 31,2024	As at March 31, 2023
In respect of the current year	2,388.02	756.45
Deferred tax charge/(credit)	-621.48	-202.25
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	**1,766.54**	**554.20**

29.1

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:

Particulars	As at March 31,2024	As at March 31, 2023
Profit before tax	8,925.27	2,153.61
Applicable tax rate	25.17%	25.17%
Expected tax expense [A]	2,388.02	756.45
Deductions under Chapter VIA of the Income-tax Act, 1961	16.71	-
Others	1,820.08	756.45
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	551.23	-
Total	**2,388.02**	**756.45**

29.2.

Income tax expense recognised in other comprehensive income

Particulars	As at March 31,2024	As at March 31, 2023
Income tax relating to re-measurement loss on defined benefit plans	-	-
Income tax relating to re-measurement gains/ (losses) on hedge instruments	-	-
Total	-	-

30. Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations

Particulars	As at March 31,2024	As at March 31, 2023
Basic and diluted		
Weighted average number of equity shares for computation of Basic EPS (in no.)	8,05,46,921.48	5,53,83,802.05
Net profit for calculation of basic EPS	7,158.73	1,599.41
Basic earning per share	**8.89**	**2.89**
Dilutive earning per share	**8.89**	**2.89**

31. Expenditure incurred on Corporate Social Responsibility (CSR)

Particulars	As at March 31,2024	As at March 31, 2023
Amount required to be spent by the company during the year as per section 135 of the Companies Act 2013	10.76	-
Amount of expenditure incurred	10.81	-
Excess / (Shortfall) at the end of the year	0.05	-

31.1.

The nature of CSR activities undertaken by the Company: To improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Education, Health and Skill Development.

32. Contingent liabilities and commitments

a. Contingent Liabilities not provided for in respect of:

Particulars	As at March 31,2024	As at March 31, 2023
i)Claims against the Company not acknowledged as debt;	-	-
ii)Other money for which the Company is contingently liable:-	-	-
Total	-	-

b. Capital commitments:

Particulars	As at March 31,2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for Commitments related to loans sanctioned but undrawn	35.44	205.55
Total	**35.44**	**205.55**

33. Employee benefit obligations

33.1. Defined contribution plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹46.59 Lakhs (March 31, 2023: ₹36.18 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss

33.2. Defined benefit plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

33.3.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the plan:

Particulars	As at March 31,2024	As at March 31, 2023
Defined Benefit Cost included in P & L	16.26	6.88
Other Comprehensive (Income) / Loss	-1.65	-
Total Defined Benefit Cost recognized in P&L and OCI	14.61	6.88
Defined Benefit Obligation the at end	21.49	6.88
Fair Value of Plan Assets at the end	-	-
Net Defined Benefit Liability/ (Asset)	21.49	6.88

Disclosure Information

A. Change in Defined Benefit Obligation

Particulars	As at March 31,2024	As at March 31, 2023
Defined Benefit Obligation at the beginning	6.88	-
Current Service Cost	15.74	6.81
Past Service Cost	-	0.07
(Gain) / Loss on settlements	-	-
Interest Expense	0.52	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination/divesture /transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements Due to Demographic Assumptions	-0.66	-
Remeasurements - Due to Financial Assumptions	0.40	-
Remeasurements - Due to Experience Adjustments	-1.39	-
DefinedBenefit Obligation at the end	21.49	6.88

B. Change in Fair Value of Plan Assets

Particulars	As at March 31,2024	As at March 31, 2023
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase/ (Decrease) due to effect of any business combination / divestiture /transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements Return on Assets	-	-
(ExcludingInterest Income)	-	-
Fair Value of Plan Assets at the end	-	-

C. Changes in Reimbursement Rights

Particulars	As at March 31,2024	As at March 31,2023
Reimbursement Rights at the beginning	-	-
Reimbursement Service Cost	-	-
Gain/(loss) on Settlements	-	-
Interest Income	-	-
Employer Contributions to Reimbursement Rights	-	-
Reimbursements to Employer	-	-
Increase / (Decrease) due to effect of any business combination / divesture /transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Benefits paid by the Company in prior valuation period and settled by Fund Manager in current 3 Quarter	-	-
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	-	-
Reimbursement Rights at the end	-	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	As at March 31,2024	As at March 31,2023
Asset Ceiling/ Onerous Liability at the beginning	-	-
Interest Income	-	-
Gain / (Loss) on Settlements	-	-
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-	-
Asset Ceiling / Onerous Liability at the end	-	-

E. Components of Defined Benefit Cost

Particulars	As at March 31,2024	As at March 31,2023
Current Service	15.74	6.81
Cost Past Service Cost	-	0.07
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	**15.74**	**6.88**
Interest Expense on DBO	0.52	-
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	**0.52**	**-**
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	16.26	6.88
Remeasurements- Due to Demographic Assumptions	-0.66	-
Remeasurements -Due to Financial Assumptions	0.40	-
Remeasurements - Due to Experience Adjustments	-1.39	-
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return)on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	**-1.65**	**-**
Total Defined Benefit Cost recognized in P&L and OCI	**14.61**	**6.88**

F. Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act 2013

Particulars	As at March 31,2024	As at March 31,2023
Current Liabilities	0.15	0.02
Non- current Liabilities	21.34	6.86

G. Amounts recognized in the Statement of Financial Position

Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	21.49	6.88
Fair Value of Plan Assets	-	-
Funded Status	21.49	6.88
Effect of Asset Ceiling/ Onerous Liability	-	-
Net Defined Benefit Liability/ (Asset)	21.49	6.88
Of which, Short term Liability	0.15	0.02

H. Net Defined Benefit Liability (Asset) reconciliation

Particulars	As at March 31,2024	As at March 31,2023
Net Defined Benefit Liability / (Asset) at the beginning	6.88	-
Defined Benefit Cost included in P & L	16.26	6.88
Total Remeasurements included in OCI	-1.65	-
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	21.49	6.88

I. Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	As at March 31,2024	As at March 31,2023
(Gain) / Loss on Plan Liabilities	-1.39	-
% of Opening Plan Liabilities	-20.21%	-
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

J. The principal assumptions used in determining gratuity obligations for the Company’s plans are shown below:

The financial and demographic assumptions on annual basis used for valuation as at the Valuation Date are shown below. The assumptions as at the Valuation Date are used to determine the Present Value of Defined Benefit Obligation at that date.

K. Summary of Financial Assumptions

Particulars	Valuation Date	
	Year ended 31st March 2023	Year ended 31st March 2024
Discount Rate	7.26%	7.52%
Salary Escalation	5.00%	5.00%

L. Summary of Demographic Assumptions

Particulars	Valuation Date	
	As at March 31,2024	As at March 31,2023
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Withdrawal Rate	17.62%	16.31%
Normal Retirement Age	62 Years	62 Years
Average Future Service	33.02	31.58

M. Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	0
Year 2	0
Year 3	1
Year 4	4
Year 5	4
Year 6	4
Year 7	3
Year 8	3
Year 9	3
Year 10	2
Pay-outs above 10 years	16

The weighted average duration of the defined benefit obligation is 8.00

N. Discontinuance Liability

Amount payable upon discontinuance of all employment is INR 36,649

O. Sensitivity analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Summary of Financial & Demographic Assumptions

Scenario	DBO	Percentage Change
Under Base Scenario	21,49,330.00	0%
Salary Escalation - Up by 1%	23,27,748.00	8.30%
Salary Escalation - Down by 1%	19,87,408.00	-7.53%
Withdrawal Rates - Up by 1%	20,98,834.00	-2.35%
Withdrawal Rates - Down by 1%	21,99,900.00	2.35%
Discount Rates - Up by 1%	20,00,666.00	-6.92%
Discount Rates - Down by 1%	23,15,405.00	7.73%
Mortality Rates - Up by 10%	21,49,978.00	0.03%
Mortality Rates - Down by 10%	21,48,682.00	-0.03%

We have used Projected Unit Credit (P.U.C method) as prescribed by Ind AS 19.

33.5. Disclosure for Compensated absences

(i) Amount recognised in the balance sheet

Particulars	As at March 31,2024	As at March 31,2023
Compensated Absences	55.98	18.04
Total	**55.98**	**18.04**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

34. Leases

34.1. Company as a lessee

The Company has entered into long term lease arrangement for its branches.The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.The Company is restricted from assigning or subleasing the leased asset under the terms of lease.

Apart from above,the Company has short-term leases with contractual tenure of less than 12 months. The Company has recognised the lease payments associated with these leases as an expense on accrual basis.

34.2. Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year

Particulars	As at March 31,2024	As at March 31,2023
Balance at the beginning	1,639.05	-
Additions	478.25	1,704.63
Finance cost accrued during the period	244.61	187.62
Payment of lease liabilities	-368.92	-253.20
Balance at the end	**1,992.99**	**1,639.05**

34.3. Maturity analysis of undiscounted lease liability

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31,2024	As at March 31,2023
Less than 3 months	136.67	120.36
3 to 12 months	376.84	317.59
1 to 3 years	928.70	1,112.02
More than 3 years	2,071.20	1,280.89
Total undiscounted lease liabilities	**3,513.41**	**2,830.86**

34.4. Amounts recognized in the Statement of Profit and Loss

Amounts recognized in the Statement of Profit and Loss	As at March 31,2024	As at March 31,2023
Interest expense on lease liability	244.61	187.62
Expense relating to short-term leases	191.70	73.47
	436.31	**261.09**

34.5. Lease payments not included in measurement of lease liability

Particulars	As at March 31,2024	As at March 31,2023
Short -term Leases	191.70	73.47
Leases of Low value assests	-	-
Variable lease payments	-	-
	191.70	**73.47**

34.6.

Total cash outflow for leases for the year ended 31 March, 2024 was Rs. 368.92 lakhs (31 March, 2023: 253.20 lakhs).

35. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company.The Company is engaged primarily in the business of financing. The Company operates in a single geographical segment i.e.domesctic. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

36. Related Party transactions

36.1. Names of the Related Parties

Key Manegerial Personal (KMP)	Padmaja Gangireddy - Managing Director
	Raghu Venkata Harish- Non-Executive Director
	Vara Prasad Chaganti- Non-Executive Director
	Mahesh Payannavar-Non-Executive Director
	Vijaya Sivarami Reddy Vendidandi-Non-Executive Director (w.e.f. 02.11.2022)
	Prakash Bhawnani - Chief Financial Officer (w.e.f. 22.12.2023)
	Komal Ratlani - Company Secretary (w.e.f. 01.07.2023)
	Sneha Kandukuri-Company Secretary (till 17.01.2023)
	Siddharth Mehta-Company Secretary (from 18.01.2023 to 30.06.2023)
Wholly Owned Subsidiary	Keertana Financial Limited (w.e.f. 04.05.2023)
Entitiesin which KMP (directors) and their relatives (close members) have significant influence	Spandana Rural & Urban Development Organization (SRUDO)
	Spandana Mutual Benefit Trust (SMBT)
	Spandana Employees Welfare Trust (SEWT)
	Abhiram Marketing Services Limited (AMSL)
	Fins Technologies Limited(FINs)
	Keertana Financial Limited (KFL) (till 03.05.2023)
Relatives (close members) of KMP	Koteswaramma Enumula, sister of Padmaja Gangireddy
	Revan Saahith Reddy Vendidandi, son of Padmaja Gangireddy

36.2. Transactions with related parties

Transactions with related parties for year ended 31st March, 2024

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence	Subsidiary
Rent paid	48.05	-	23.25	-
Interest Expense on Loan taken	61.77	-	114.38	-
Financial Assets Acquisition	-	-	2,271.21	-
Purchase of Property, plant and equipment	-	-	107.85	-
Service Charges paid	-	-	60.92	-
Commission Income	-	-	37.15	-
Investment in Equity Share Capital	-	-	-	1,221.25
Remuneration	66.58	33.49	-	-
Sitting Fees	26.16	-	-	-
Borrowings (other than Debt Securities)	6,870.00	-	32,515.17	-
Repayment of Borrowings (other than Debt Securities)	6,870.00	-	35,463.17	-

Transactions with related parties for year ended 31st March, 2023

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence	Subsidiary
Rent paid	10.45	-	29.06	-
Interest Expense on Loan taken	315.11	-	589.44	0.07
Financial Assets Acquisition	-	-	23,390.51	-
Purchase of Property, plant and equipment	-	-	788.69	-
Service Charges paid	-	-	26.16	-
Commission Income	-	-	26.19	-
Investment in Equity Share Capital	-	-	-	-
Remuneration	30.00	6.86	-	8.73
Sitting Fees	16.67	-	-	-
Borrowings (other than Debt Securities)	20,500.00	-	47,587.00	10.90
Repayment of Borrowings (other than Debt Securities)	20,500.00	-	44,639.00	10.90
Advance Taken	545.78	-	-	-
Advance repaid	254.00	-	-	-

36.3. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the period-end are unsecured and settlement occurs in cash.

36.4. Outstanding balances with related parties for year ended 31st March, 2024

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence	Relatives (close members) Key Managerial Personnel (Directors)
Commission receivable	-	0.13	-	-
Sitting Fees payable	5.40	-	-	-

Outstanding balances with related parties for year ended 31st March, 2023

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence	Relatives (close members) Key Managerial Personnel (Directors)
Remuneration payable	2.20	-	-	-
Sitting Fees payable	4.27	-	-	-
Borrowings (other than debt securities) from others	2,948.00	-	58.30	-

37. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

As at 31st March, 2024

Particulars	As at March 31, 2024		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	6,142.03	-	6,142.03
Bank Balance other than cash and cash equivalents	1,639.24	-	1,639.24
Loans	1,21,773.63	35,168.96	1,56,942.59
Investments	-	1,221.25	1,221.25
Other Financial assets	615.74	198.61	814.35
Sub total	**1,30,170.64**	**36,588.82**	**1,66,759.46**
Non-financial assets			
Current Tax assets (Net)	-	-	-
Deferred Tax assets (Net)	-	823.30	823.30
Property, plant and equipment	-	2,114.12	2,114.12
Right to Use Assets	-	1,801.81	1,801.81
Other non-financial assets	315.11	-	315.11
Sub total	**315.11**	**4,739.23**	**5,054.33**
Total assets	**1,30,485.75**	**41,328.05**	**1,71,813.80**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i)total outstanding dues of creditors of micro enterprises and small enterprises	2.6	-	2.6
(ii)total outstanding dues of creditors other than micro enterprises and small enterprises	76.04	-	76.04
Debt Securities	32,994.31	15,705.00	48,699.31
Borrowings (Other than Debt Securities)	58,651.43	22,295.77	80,947.19
Other Financial liabilities	816.16	1,992.99	2,809.15
Sub total	**92,540.56**	**39,993.76**	**1,32,534.32**
Non-Financial liabilities			
Current tax liabilities (Net)	256.42	-	256.42
Provisions	55.98	21.49	77.47
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	211.70	-	211.70
Sub total	**524.10**	**21.49**	**545.60**
Total liabilities	**93,064.66**	**40,015.25**	**1,33,079.91**

As at 31st March, 2023

Particulars	As at March 31, 2023		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	4,219.76	-	4,219.76
Bank Balance other than cash and cash equivalents	108.22	-	108.22
Loans	-	61,881.60	61,881.60
Investments	-	-	-
Other Financial assets	67.32	116.47	183.78
Sub total	**4,395.29**	**61,998.07**	**66,393.36**
Non-financial assets			
Current Tax assets (Net)	-	-	-
Deferred Tax assets (Net)	-	202.24	-
Property, plant and equipment	-	1,661.80	1,661.80
Right to Use Assets	-	1,543.88	1,543.88
Other non-financial assets	-	252.72	252.72
Sub total	**-**	**3,660.65**	**3,458.40**
Total assets	**4,395.29**	**65,658.72**	**69,851.77**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i)total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-
(ii)total outstanding dues of creditors other than micro enterprises and small enterprises	62.29	-	62.29
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	17,192.99	33,453.03	50,646.02
Other Financial liabilities	318.88	1,639.05	1,957.92
Sub total	**17,574.15**	**35,092.07**	**52,666.23**
Non-Financial liabilities			
Current tax liabilities (Net)	455.45	-	455.45
Provisions	18.04	6.88	24.93
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	74.51	-	74.51
Sub total	**548.00**	**6.88**	**554.89**
Total liabilities	**18,122.16**	**35,098.96**	**53,221.12**

As at 1st April, 2022

Particulars	As at March 31, 2022		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	86.83	-	86.83
Bank Balance other than cash and cash equivalents	-	-	-
Loans	-	187.89	187.89
Investments	-	-	-
Other Financial assets	-	-	-
Sub total	**86.83**	**187.89**	**274.72**
Non-financial assets			
Current Tax assets (Net)	-	-	-
Deferred Tax assets (Net)	-	-	-
Property, plant and equipment	-	3,429.00	3,429.00
Right to Use Assets	-	-	-
Other non-financial assets	-	-	-
Sub total	**-**	**3,429.00**	**3,429.00**
Total assets	**86.83**	**3,616.89**	**3,703.72**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i)total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-
(ii)total outstanding dues of creditors other than micro enterprises and small enterprises	0.13	-	12,600.00
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	-	-	-
Other Financial liabilities	-	-	-
Sub total	**0.13**	**-**	**12,600.00**
Non-Financial liabilities			
Current tax liabilities (Net)	0.78	-	78,385.00
Provisions	-	-	-
Deferred tax liabilities (Net)	-	0.01	873.00
Other non-financial liabilities	-	-	-
Sub total	**0.78**	**0.01**	**79,258.00**
Total liabilities	**0.91**	**0.01**	**91,858.00**

38. Fair value measurement

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 (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

- Level 1 - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.
- Level 2 - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

38.1. Financial instruments by category

Particulars	Measurement category	Fair value hierarchy	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Financial assets					
Measured at amortised cost					
Cash and cash equivalents	Amortised Cost	Level 1	6,142.03	4,219.76	86.83
Bank Balances other than cash and cash equivalents	Amortised Cost	Level 1	1,639.24	108.22	-
Loans	Amortised Cost	Level 3	1,56,942.59	61,888.79	187.89
Investments in					
Equity Investment in Subsidiary	Amortised Cost	Level 3	1,221.25	-	-
Mutual Funds	Fair Value	Level 1	-	-	-
Other financial assets	Amortised Cost	Level 3	814.35	183.91	-
Total Financial assets			**1,66,759.46**	**66,400.67**	**274.72**
Financial liabilities					
Measured at amortised cost					
Trade payables	Amortised Cost	Level 3	78.67	62.29	0.13
Debt Securities	Amortised Cost	Level 3	48,699.31	-	-
Borrowings (other than Debt Securities)	Amortised Cost	Level 3	80,947.19	50,646.02	-
Other financial liabilities	Amortised Cost	Level 3	2,809.15	1,957.92	-
Total Financial liabilities			**1,32,534.32**	**52,666.23**	**0.13**

38.3.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets						
Security Deposits for Right of use	272.75	198.61	154.63	145.10	-	-
Loans	1,56,944.19	1,56,942.59	61,881.60	61,881.60		
Total	**1,57,216.94**	**1,57,141.20**	**62,036.23**	**62,026.70**	**-**	**-**
Financial liabilities						
Debt Securities	49,425.00	48,699.31	-	-	-	-
Borrowings (Other than Debt Securities)	81,022.91	80,947.19	50,640.40	50,635.99	-	-
Total	**1,30,447.91**	**1,29,646.50**	**50,640.40**	**50,635.99**	**-**	**-**

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2024

The management assessed that fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques

Security Deposit

The fair values of Security deposits for premises are based on discounted cash flows using a simple average deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Loans

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Lease liabilities

The fair values of lease liability are based on discounted lease payments using a Company's average incremental borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Borrowings

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables and debt securities) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value. The fair value of floating rate borrowing is deemed to equal its carrying value.

Investment in Mutual fund

The fair values of the investment in mutual fund schemes are based on net asset value at the reporting date. The Company does not hold any units as on reporting date.

39. Disclosure with regard to dues to Micro Enterprises and Small Enterprises 22.10.106/2019-20 dated March 13,2020

Particulars	As atMarch 31, 2024	As atMarch 31, 2023
(i) theprincipal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
Principal due	2.62	NIL
Interest due	NIL	NIL
(ii) 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	NIL	NIL
(iii)the amount of interest due and payable for the period of delay in making payment (which has 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;	NIL	NIL
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(v) 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	NIL	NIL

40. Breach of Covenant

During the financial year ended March 31, 2024, no bank or financial institution or debenture trustee has issued any notice of breach of covenant in respect of loans availed or debt securities issued by the Company.

41. Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market and operational risks. Company's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. Further, company has Asset-Liability Management Committee (ALCO) to monitor ALM and liquidity risk.

41.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.
The Company is generally exposed to credit risk, liquidity risk, market risk, and operational risk.

41.2 Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. Company is into lending operations and is principally exposed to credit risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The credit risk is governed by various product policies. The product policies outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits. The Company measures, monitors and manages credit risk at an individual borrower level. Depending on the products, the Company has a structured and standardised credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

The Company also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

41.2.1 Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different products:

a) Gold Loan

- Credit risk on Gold loan is generally reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan.

- Maximum Loan to Value ratio for Gold loans remains at 75%, as prescribed by Reserve Bank of India. Within this Loan to Value, the Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes.

- Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm with additional measures in place to ascertain the ownership of the gold being pledged. Apart from the branch staff, independent call by back office is made with preset questions asked to the customer for ascertaining the interest in loan, the ownership of the gold jewellery.

- In case of default, pledged Gold can be auctioned. Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds beyond the internal set threshold, which is generally close to realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

(b) Housing Loan/Loan against property

Company has a separate Credit Risk policy which outlines all the product characteristis and assessment of borrower, including the technical and legal aspects of the property. Loan against property or Housing loan involves not only the income assessment but also the property assessment. The detailed on the income assessment and property assessment is guided as per the credit policy applicable.

(c) Micro Enterprise Loans (MEL)

Micro Enterprise loans are unsecured loans wherein the credit delivery mechanism remains as per Joint Liability Group (JLG). Thus, despite being the unsecured characteristics, the loans have social collateral in place, i.e. the group guarantee. Credit risk under such arrangement is though higher that a secured loan but remains lower than the unsecured consumption loan. The loans are preliminary extended to women borrowers in the group for income generation purpose. In order to address credit risk under such product, Compay has stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. Company also follows key non negotiable underwriting norms incluidng having a own house mandatory without which the loan would get rejected. Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

(d) Business Loans ('M'SME Loans)

Micro SME loans are of unsecured nature and extended for business purpose. The well defined policy on credit appraisal is in place to ensure that the loan is sanctioned as per the eligibility norms.

(e) Personal Loans

Personal loan portfolio of the company is limited to the existing customers, i.e. having one or more other secured loans. The credit risk thus gets limited.

41.2.2. Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

a. Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 3 months past due on its contractual payments.

The staging criteria used by the Company is as below:

Loans months past due	Stage
Upto 30 days	Stage 1
Between 31 to 90 days	Stage 2
above 91 days	Stage 3

b. Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

c. Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD

d. Loss given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.
When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

e. Expected credit loss

Expected credit loss is a calculation of the present value of the amount expected not to be recovered on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

f. Expected Credit Loss for the Financial Assets other than Loans
As at 31st March 2024

Particulars	Gross Carrying Amount at Default	Expected Credit Loss	Carrying amount Net of Impairment Provision
Cash and cash equivalents	6,142.03	-	6,142.03
Bank balance other than cash and cash equivalents	1,639.24	-	1,639.24
Other financial assets	814.35	-	814.35
Total	**8,595.62**	**-**	**8,595.62**

As at 31st March 2023

Particulars	Gross Carrying Amount at Default	Expected Credit Loss	Carrying amount Net of Impairment Provision
Cash and cash equivalents	4,219.76	-	4,219.76
Bank balance other than cash and cash equivalents	108.22	-	108.22
Other financial assets	183.91	-	183.91
Total	4,511.89	-	4,511.89

The company has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and there is no history of defaults in the past. Also there has not been any changes in the credit rating of these custodians.

g. Credit Quality of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
0 DPD	1,49,532.90	-	-	1,49,532.90
(1-30) DPD	10,134.10	-	-	10,134.10
(31-60) DPD	-	117.87	-	117.87
(61-90) DPD	-	49.26	-	49.26
(91-120) DPD	-	-	48.67	48.67
(>120) DPD	-	-	24.35	24.35

Particulars	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
0 DPD	59,919.85	-	-	59,919.85
(1-30) DPD	2,642.51	-	-	2,642.51
(31-60) DPD	-	54.05	-	54.05
(61-90) DPD	-	0.91	-	0.91
(91-120) DPD	-	-	4.63	4.63
(>120) DPD	-	-	-	-

h. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	62,218.59	54.96	4.63	62,278.18
Add: EIR impact of Service charges received	343.77	-	-	343.77
New assets originated or purchased	3,22,847.08	-	-	3,22,847.08
Assets derecognised or repaid (excluding write offs)	-2,25,561.87	-	-	-2,25,561.87
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-112.17	112.17	-	-
Transfers to Stage 3	-68.39	-	68.39	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1,59,667.01	167.13	73.02	1,59,907.16
Less: EIR impact of Service charges received	1,463.66	-	-	1,463.66
Gross carrying amount closing balance net of EIR impact of service charge received	1,58,203.35	167.13	73.02	1,58,443.50

Particulars	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	188.36	-	-	188.36
New assets originated or purchased	1,65,569.29	-	-	1,65,569.29
Assets derecognised or repaid (excluding write offs)	-1,03,135.69	-	-	-1,03,135.69
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-54.96	54.96	-	-
Transfers to Stage 3	-4.63		4.63	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	62,562.37	54.96	4.63	62,621.95
EIR impact of Service charges received	343.77	-	-	343.77
Gross carrying amount closing balance net of EIR impact of service charge received	62,218.59	54.96	4.63	62,278.18

i. Reconciliation of ECL balance is given below:

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	384.85	1.83	2.72	389.39
New assets originated or purchased	1,500.91	-	-	1,500.91
Assets derecognised or repaid (excluding write offs)	-384.85	-1.83	-2.72	-389.39
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-51.33	51.33	-	-
Transfers to Stage 3	-73.01	-	73.01	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	1,376.57	51.33	73.01	1,500.91

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	0.47	-	-	0.47
New assets originated or purchased	389.39	-	-	389.39
Assets derecognised or repaid (excluding write offs)	-0.47	-	-	-0.47
Transfers to Stage 1	-1.83	1.83	-	-
Transfers to Stage 2	-2.72	-	2.72	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	384.85	1.83	2.72	389.39

41.3 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Particulars	upto 1 month	over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months upto 1 year	Over 1 upto 3 years	Over 3 years upto 5 years	Total
As at March 31, 2024								
Trade payables	78.67	-	-	-	-	-	-	78.67
Debt Securities	1,651.66	6,545.83	1,568.33	8,940.00	15,447.69	14,725.04		48,878.56
Borrowings (other than debt securities)	5,049.46	5,142.65	6,278.93	16,292.51	26,639.31	20,711.83	41.66	80,156.35
Lease laibilities	45.94	45.63	45.09	132.35	244.49	928.70	2,071.20	3,513.41
Other financial liabilities	85.27	-	-	-	1,159.07	-	-	1,244.34
Total	**6,911.00**	**11,734.11**	**7,892.35**	**25,364.86**	**43,490.56**	**36,365.57**	**2,112.86**	**1,33,871.32**
As at March 31, 2023								
Trade payables	44.61	8.24	-	9.45	-	-	-	62.29
Borrowings (other than debt securities)	3,785.60	3,054.01	2,954.22	11,355.44	13,144.77	11,832.13	4,604.22	50,730.39
Lease laibilities	40.27	40.30	39.79	115.90	201.69	928.70	2,071.20	3,437.85
Other financial liabilities	310.81	-	-	8.07	-	-	-	318.88
Total	**4,181.28**	**3,102.55**	**2,994.01**	**11,488.86**	**13,346.47**	**12,760.83**	**6,675.42**	**54,549.42**
As at April 1, 2022								
Trade payables	-	-	-	0.13	-	-	-	0.13
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-
Lease laibilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**0.13**	**-**	**-**	**-**	**0.13**

41.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (a) Interest rate risk, and (b) Price risk.

a Interest rate risk

IInterest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for short maturity periods.
The Company borrows at both fixed and floating interest rates for different periods. Floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31,2024	As at March 31,2023
On Floating Rate Borrowings:		
1% increase in interest rates	365.44	126.62
1% decrease in interest rates	(365.44)	(126.62)

b Price risk

The company offers Gold loan as the product and is exposed to Price Risk on account of sudden change in price of Gold. Sudden fall in the gold price or fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part gets mitigated by a minimum 25% margin retained on the value of gold jewellery at the time of sanction of loan. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins, short tenure of the gold loans and quality valuation done at the time of sanction. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

41.5 Operational and business risk

OpOperational 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 lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

42. Capital Management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.
The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

43. First-time adoption of Ind AS

Overall Principle:

The financial statements, for the year ended March 31, 2024, are the first annual financial statements that Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2024, together with the comparative period data as at and for the year ended March 31, 2023, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2022, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2022 and the standalone financial statements as at and for the year ended March 31, 2023.

43.1. Mandatory exceptions and optional exemptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company:

Mandatory Exceptions:

1) Use of Estimates

IInd AS 101 prescribes that an entity’s estimates are in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The estimates at April 1, 2022 and March 31, 2023 are consistent with those made for the same dates in accordance with Indian GAAP

2) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3) Impairment of financial assets

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2022.

Optional Exemptions availed:

1) Deemed cost for property, plant and equipment

The Company has elected to measure property, plant and equipment at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

43. 2. Reconciliations between Ind AS and previous GAAP:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Notes	As at March 31,2023	As at April 1, 2022
Equity as reported under Previous GAAP		17,429.33	273.83
Impact on leases	1	(145.06)	
ECL on loans	2	(292.34)	
Effective interest rate on borrowings	3	(1.01)	
Effective interest rate on loans	4	(349.27)	
Deferred tax Impact on above adjustments	5	198.56	
Total effect of transition to Ind AS		**(589.12)**	-
Equity as per Ind AS		**16,840.20**	**273.83**

Profit reconciliation for the year ended March 31, 2022

Particulars	Notes	As at March 31,2023
Net profit after tax as reported under Ind GAAP		2,141.24
Ind AS adjustment increasing / (decreasing) net profit as reported under Indian GAAP:		
Impact on leases	1	(145.06)
ECL on loans	2	(292.34)
Effective interest rate on borrowings	3	(1.01)
Effective interest rate on loans	4	(349.27)
Deferred tax Impact on above adjustments	5	198.56
Share issue expense	6	47.30
Total effect of transition to Ind AS		(541.83)
Net profit after tax as reported under Ind AS		1,599.42

Footnotes to the reconciliation of equity as at April 1, 2022 and March 31, 2023 and profit or loss for the year ended March 31, 2023.

1. Leases

Under previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by (i) the amount of any prepaid or accrued lease payments (ii) the difference between the discounted present value of the interest free security deposit and the actual security deposit given to the lessor.

2. ECL on Loans

Under previous GAAP, the Company has created provision for impairment of financial assets based on the incurred loss model. Under Ind AS, impairment loss has been determined as per Expected credit loss (ECL) model. The difference between the provision amount as per previous GAAP and Ind AS is adjusted to earnings on date of transition and subsequently in the statement of profit and loss.

3. Effective interest rate on borrowings

Under previous GAAP borrowings were measured at carrying value. Under Ind AS at initial recognition, an entity measures a financial liability at its fair value plus or minus, in case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.Subsequent to initial recognition, FVTPL liabilities are measured at fair values, with gain or loss normally being recognized in profit or loss. All other financial liabilities are measured at amortized cost using the effective interest method.Under Previous GAAP, the transaction costs related to borrowings were amortised in the Statement of profit and loss on a straight line-basis. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

4. Effective interest rate on loans

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method.

5. Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition.

6. Share issue expense

Under Indian GAAP share issue expense Is recognised as expense in the statement of profit & loss account. Under Ind AS The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

7. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

44. Other regulatory disclosures

44.1

\No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

44.2

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

44.3

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

44.4

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

44.5

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

44.6

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

44.7

The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

44.8

The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year

44.9

There is no amount due and outstanding to be credited to Investor Education And Protection Fund.

44.10.

There is no amount due and outstanding to be credited to investor Education and protection Fund.

44.11.

The Company has opted for new regime of taxation u/s 115BAA

45. Schedule to the Standalone Balance Sheet of a Non-deposit taking Non Banking Financial Company

As required in term of Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Liabilities Side:

1. Loans and Advances availed by the non-banking financial company inclusive of interest accrued theron but not paid:	**Amount Outstanding**	**Amount Overdue**
a) Debenture:	-	-
Secured	**48,699.31**	
Unsecured	-	-
(Other than falling within the meaning of public deposits)		
b) Deferred Credits	-	-
c) Term Loans	80,947.19	-
d) Inter- Corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Other Loans (Specify Nature)	-	-

Assets Side:

2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :	**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	-	-

3. Breakup of Loans and Advances including bills receivables (other than those included in (4) below) :	**Amount Outstanding**
a) Secured	78,022.60
b) Unsecured	78,919.99

4. Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities	**Amount Outstanding**
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:	
a) Assets on hire	-
b) Repossessed Assets	-
iii) Other loans counting towards AFC activities	
a) loans where assets have been reposessed	-
b) Loans other than (a) above	-

5. Breakup of Investments:	Amount Outstanding
Current Investments	
1.Quoted:	
i) Shares:	-
a) Equity	
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Funds	-
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) Others (Please specify)	-
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 (Please specify)	-
2. Unquoted:	
i) Shares:	-
a) Equity	1,221.25
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Funds	-
iv) Government Securities	-
v) Others (Venture Capital Fund)	-

6. Borrower group wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1.Related Parties			
a) Subsidiaries	-	-	-
b)Companies in the same group	-	-	-
c) Other related Parties	-	-	-
2. Other than related parties	78,022.60	78,919.99	1,56,942.59
Total	78,022.60	78,919.99	1,56,942.59

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

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1.Related Parties		
a)Subsidiaries	1,221.25	1,221.25
b) Companies in the same group	-	-
c) Other related Parties	-	-
2. Other than related parties		
a) Listed Equity Shares	-	-
b) Mutual Funds	-	-
c) Debentures/ Bonds	-	-
d) Others: Special Purpose Vehicles	-	-
Total	**1,221.25**	**1,221.25**

8. Other Information

Particulars	Amount
Gross Non Performing Assets	
a) Related Parties	-
b) Other than related parties	73.02
Net Non Performing Assets	
a) Related Parties	-
b) Other than related parties	-
Assets acquired in satisfaction of debt	-

46. Regulatory capital

Regulatory capital	As at March 31,2024	As at March 31,2023
CRAR	23.66%	25.98%
CRAR – Tier 1 capital (%)	22.63%	25.38%
CRAR – Tier II capital (%)	1.03%	0.60%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Leverage Ratio	3.92	3.05

47. Exposures

1. **Exposure to Real Estate Sector**

Category	As at March 31,2024	As at March 31,2023
i) Direct exposure		
(a) Residential Mortgages -		
Lending secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately)	7,992.79	3,207.15
(b) Commercial Real Estate -	-	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).Exposure would also include non-fund based (NFB) limits;	-	-
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total Exposure to Real Estate Sector	**7,992.79**	**3,207.15**

2. Exposure to Real Estate Sector

Particulars	As at March 31,2024	As at March 31,2023
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1,221.25	-
Total exposure to capital market	**1,221.25**	-

3. Sectoral Exposure

Particulars	Current Year			Previous Year		
	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1.Agriculture and Allied Activities	1,37,236.27	9.72	0.01%	53,325.24	-	0.00%
2.Industry - Others	15,290.16	63.30	0.41%	9,147.87	4.38	0.05%
3.Services	-	-	0.00%	-	-	0.00%
4.Personal Loans	7,090.75	-	0.00%	-	-	0.00%
5.Others, if any	289.99	-	0.00%	148.84	-	0.00%

4 There are no intra-group exposures during the year ended 31st March 2024 and year ended 31st March 2023.

48. Concentration of Advances, Exposures and NPAs

1. **Concentration of Advances**

Particulars	Amount
Total Advances to twenty largest borrowers	1,308.65
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.83%

2. Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrowers/customers	1,308.65
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	0.83%

3. Concentration of NPAs

Particulars	Amount
Total Exposure to top four NPA accounts	35 .35

4. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
1)Agriculture and allied activities	0.01%
2)MSME	0.41%
3)Corporate borrowers	-
4)Services	-
5)Unsecured personal loans	-
6)Auto loans	-
7)Other personal loans	-

49.

The Company has not extended any advances where the collateral is an intangible asset such as charge over rights, licenses, authorsations, etc. The unsecured advances of Rs. 78919 .99 Lakhs (31st March 2023 - Rs. 19138.46 Lakhs) in Note no. 5 are any collateral or security.

50.

The Company does not have single or group exposure exceeding the limits as per the RBI Guidelines during the year ended 31st March 2024 and 31st March 2023.

51. Movement of NPAs

Particulars	As at March 31,2024	As at March 31,2023
(i) Net NPAs to Net Advances (%)	-	1.91
(ii) Movement of NPAs (Gross)		
(a) Opening balance	4.63	-
(b) Additions during the year	68.39	4.63
(c) Reductions during the year	-	-
(d) Closing balance	73.02	4.63
(ii) Movement of NPAs (Net)		
(a) Opening balance	1.91	-
(b) Additions during the year	-	1.91
(c) Reductions during the year	1.91	-
(d) Closing balance	-	1.91
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2.72	-
(b) Provisions made during the year	70.30	2.72
(c) Write-off/write-back of excess provisions		-
(d) Closing balance	73.02	2.72

52 . Disclosure of complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

	Particulars	As at March 31,2024	As at March 31,2023
	Complaints received by the NBFC from its customers	125	-
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	125	-
3	Number of complaints disposed during the year	125	-
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBF	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Related to Loans and Advances	-	106	100%	-	-
Related to Staff Behaviour	-	19	100%	-	-
Total		125			
Previous Year					
Related to Loans and Advances	-	-	-	-	-
Related to Staff Behaviour	-	-	-	-	-
Total	-	-	-	-	-

53 . Details of Auctions conducted

Particulars	As at March 31,2024	As at March 31,2023
No. of Auctions Conducted	11	7
No. of Loan accounts involved	5,260	1,736
Outstanding Value of Loans	5,041.05	1,535.84
Value Fetched in Auction	5,017.98	1,543.91
Participation of any sister concern in the auctions	NO	NO

54. Licenses obtained from other financial sector regulators

i. The Company is registered with the following regulators:
a) Ministry of Corporate Affairs (MCA)
b) Securities Exchange Board of India (SEBI)
c) Ministry of Finance (FIU-Ind)
d) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)
ii. The company has also applied for registration as Corporate Agent to the Insurance Regulatory and Development Authority of India (IRDAI).

55.
There has been no drawdown from reserve during the year ended 31st March 2024 and 31st March 2023.

56. Disclosure of Penalties/ Fines imposed by Regulators

During year ended 31st March 2024 - SEBI levied a fine of Rs. 17.39 Lakhs for contravention of the provisions of Regulation 60(2), 52 (1), 52 (4), 52 (7)/(7A) & 54 (2).

57. Ratings assigned by Credit Rating Agencies and migration during the year

Nature of instrument	Rating agency	As at March 31,2024	As at March 31,2023
Non-convertible debentures	ICRA	ICRA[BBB] (Stable)	-
Non-convertible debentures	CRISIL	CRISIL BBB/Stable	-
Term Loans	ICRA	[ICRA]BBB(Stable)/ [ICRA]A3+	-
Term Loans	CRISIL	CRISIL BBB/Stable	-

58.
Related Party Transactions - Refer note 36 for related party transactions and related disclosures

59.
Information on instances of fraud - During the financial year ended 31st March 2024 and 31st March 2023 no fraud has been reported.

60. Asset Classification as per RBI Norms

For the year ended 31 March 2024

Particulars	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 (including income deferred)	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 Stage 2	1,59,667.01 167.13	1,129.02 21.30	1,58,537.98 145.83	638.67 0.67	490.36 20.63
Sub total		1,59,834.14	1,150.33	1,58,683.81	639.34	510.99
Non-Performing Assets (NPA)						
Substandard	Stage 3	69.31	69.31	-	6.93	62.38
Doubtful - up to 1 year	Stage 3	3.71	3.71	-	3.71	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total (On book assets)	**Stage 1**	**1,59,667.01**	**1,129.02**	**1,58,537.98**	**638.67**	**490.36**
	Stage 2	**167.13**	**21.30**	**145.83**	**0.67**	**20.63**
	Stage 3	**73.02**	**73.02**	**-**	**6.93**	**62.38**
	Total	**1,59,907.16**	**1,223.35**	**1,58,683.81**	**646.27**	**573.37**

For the year ended 31 March 2023

Particulars	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 (including income deferred)	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 Stage 2	62,562.37 54.96	316.73 1.83	62,245.64 53.13	156.41 0.14	160.32 1.69
Sub total		62,617.33	318.56	62,298.77	156.54	162.01
Non-Performing Assets (NPA)						
Substandard	Stage 3	4.63	2.72	1.91	0.27	2.45
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total (On book assets)	**Stage 1**	**62,562.37**	**316.73**	**62,245.64**	**156.41**	**160.32**
	Stage 2	**54.96**	**1.83**	**53.13**	**0.14**	**1.69**
	Stage 3	**4.63**	**2.72**	**1.91**	**0.27**	**2.45**
	Total	**62,621.95**	**321.28**	**62,300.68**	**156.82**	**164.46**

For the year ended 01 April 2022

Particulars	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 (including income deferred)	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 Stage 2	188.36 -	0.47 -	187.89 -	0.47 -	
Sub total		188.36	0.47	187.89	0.47	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	4.63	2.72	1.91	0.27	2.45
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total (On book assets)	**Stage 1**	**188.36**	**0.47**	**187.89**	**0.47**	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	**188.36**	**0.47**	**187.89**	**0.47**	-

61. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31,2024	As at March 31,2023
Provisions for depreciation on Investment	-	-
Provision towards NPA	73.02	2.72
Provision made towards Income tax	2,388.02	756.45
Other Provision and Contingencies (Gratuity & Compensated Absences)	77.47	24.93
Provision for Standard Assets	1,150.33	318.56

62. DISCLOSURE ON LIQUIDITY RISK AS ON March 31, 2024

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

Number of Significant Counterparties	Amount (Rs. in crores)	% of Total Liabilities
27	925.08	69.51%

*Including Securitization

*Significant Counterparties is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-D's total liabilities and 10% for other non-deposit taking NBFC

2. Top 20 large deposits (amount in ₹ crore and percent of total deposits) – Not Applicable

3. Top 10 borrowings (amount Rs. in crore and percent of total borrowings)

Sr No	Term Loan/NCD/Securitisation	% of total borrowings
1	563.9	43.28%

4. Funding Concentration based on significant instrument/product

Sr No	Name of the instrument/product	Amount (Rs. in crores)	% of Total Liabilities
1	Term Loan	624.85	46.95%
2	NCD (Non-Convertible Debentures)	494.25	37.14%
3	Securitisation (PTC)	183.87	13.82%

**Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

5. Stock Ratios

Particulars	As at March 31,2024
Commercial Papers to Total Public Funds	NA
Commercial Papers to Total Liabilities	NA
Commercial Papers to Total Assets	NA
NCDs (Original Maturity <1 yrs.) to Total Public Funds	NA
NCDs (Original Maturity <1 yrs.) to Total Liabilities	NA
NCDs (Original Maturity <1 yrs.) to Total Assets	NA
Other Short Term Liabilities to Total Public Funds	71.78%
Other Short Term Liabilities to Total Liabilities	69.93%
Other Short Term Liabilities to Total Assets	54.17%

6. Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy, and the risk tolerance limit for the management of liquidity risk.

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the top level, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the same.

63. Assets Liability Management Pattern of certain items of assets and liabilities

For the year ended 31st March 2024

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	2,038.35	685.22	4,588.08	11,688.48	7,847.26	25,232.51	39,565.84	38,177.30	1,044.53	-	1,30,867.56
Assets											
Loans	11,432.37	-	-	18,130.57	36,807.11	20,187.03	35,216.55	32,543.62	1,627.56	997.79	1,56,942.59
Investments										1,221.25	1,221.25

For the year ended 31st March 2023

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	603.25	629.14	1,195.42	2,755.17	4,954.22	11,355.44	13,144.77	15,634.16	374.45	-	50,646.02
Assets											
Loans	-	-	4,983.95	9,830.48	9,557.88	12,641.58	11,697.19	11,666.02	761.81	749.88	61,888.79
Investments										-	-

64. Disclosures to be made in Notes to Accounts by originator

“Disclosure pursuant to the Reserve Bank of India (Securitisation of standard Assets) Direction, 2021" (“RBI Securitisation Direction”)

A. Disclosure as per the RBI securitisation Directions for securitisation transaction as an originator

Sl. No.	Particulars	As at March 31,2024	As at March 31,2023
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	8.00	-
2	Total amount of securitised assets as per books of the SPEs	20,244.53	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures	NA	NA
	• First loss		
	• Others		
	b) On-balance sheet exposures	1,590.37	-
	• First loss (Cash Collateral and Equity tranche)		
	• Others		
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures	NA	NA
	i) Exposure to own securitisations		
	• **First loss**		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures	16,796.40	-
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	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 securitisation	24,442.03 There is no gain or loss.	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement - Cash Collateral		
	(a) Amount paid	1,486.80	
	(b) Repayment received	-	
	(c) Outstanding amount	1,486.80	
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-**	-**
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

66. Corporate Governance

The Company recognizes that strong governance is fundamental to its ability to ensure transparency, accountability, and effective decision-making to create long-term value for all the stakeholders. The Company`s commitment to sound governance practices is embedded in every aspect of the operations, from the boardroom to the frontline. The board of directors comprises a diverse group of individuals with a wide range of financial skills and experience. The Board has maintained a balanced mix of 3 Independent Directors, 1 Woman Executive Director and 1 Non-Executive Director to ensure robust oversight and strategic guidance. The Board of Directors plays a crucial role in guiding the company's direction and evaluating the performance according to corporate governance norms.

67.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

68.

Previous year figures have been recasted & regrouped wherever necessary to make them comparable with current year figures.

FINANCIAL STATEMENT FOR THE YEAR CONSOLIDATED

INDEPENDENT AUDITORS' REPORT

To the Members of Keertana Finserv Private Limited
(Formerly known as Rajshree Tracom Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Keertana Finserv Private Limited (Formerly known as Rajshree Tracom Private Limited) (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary Keertana Finance Limited (the Holding Company and its wholly owned subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit, consolidated comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Compliance and disclosure requirement** Compliance and disclosure requirements under the applicable Indian Accounting Standards (Ind AS), Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework	• Assessed the systems and processes laid down by the Company to appropriately ensure compliance and disclosures as per the applicable Ind AS, RBI guidelines and other applicable statutory, regulatory and financial reporting framework. • Designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements. • Relied on internal records of the Company and external confirmations
2	**IT Systems and Controls** The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter	• Understood the IT systems and controls over key financial accounting and reporting systems. • Tested the general IT controls for design and operating effectiveness. • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Allowance for Expected Credit Loss (ECL) on loan assets** As at 31 March, 2024, loan assets aggregated ` 1,56,942.59 lakhs (net of ECL ` 1,500.90 lakhs), which are measured at amortised cost, constituting 91.34% of the Company's total assets. As part of our risk assessment, we determined that significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Staging the loan assets i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories • Basis used for estimating Probabilities of Default ("PD"); • Basis used for estimating Loss Given Default ("LGD"); • Adjustments to model driven ECL results, to address emerging trends. Hence, we have considered the estimation of ECL as a Key Audit Matter	Principal audit procedures performed: 1. We have read and assessed the accounting policies and the policy on ECL approved by the Board of Directors of the Company. 2. We have verified the methodology adopted for computation of ECL ("ECL Model") on loan assets that complies with policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on the loan assets measured at amortised cost. 3. Our audit procedures related to the allowance for ECL on loan assets included the following, among others: • Testing the design and effectiveness of controls over the: • completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. • appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. • Also, for the samples tested included the following, among others: - the appropriateness of the qualitative factors applied by the Management for staging of loans as SICR or default categories in view of Company's policy on restructuring • We tested the input data used in estimating the PD; • We evaluated reasonableness of LGD estimates. • mathematical accuracy of the computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in annual report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal 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 Holding Company has adequate internal financial controls system with reference to consolidated financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 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 relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Holding and Subsidiary companies incorporated in India to whom Internal financial control with reference to financial statements is applicable. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements of its subsidiary for the reasons stated therein.

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company which is incorporated in India to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.

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

i. The Group does not have pending litigations which would impact on its financial position in its consolidated financial statements;

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

iii. by the Holding Company and Subsidiary company.

iv. (a) The respective Management of the Holding Company and its subsidiary have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Holding Company and its subsidiary have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary nothing has come to our notice that has caused us to believe that the representations under sub‐clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company and Subsidiary Company has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, the holding company has an accounting software for maintaining its books of accounts having the feature of recording audit trail (edit log) facility and the same has operated throughout the year of all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditor of subsidiary company included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Keertana Finserv Private Limited	U65100WB1996PTC077252	Parent	vii (a), xiv

For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790

Place : Secunderabad
Date: 15.05.2024

UDIN:24022790BKAIJE3593

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

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

Qualified Opinion

In conjunction with our audit of the Consolidated IND AS financial statements of the Company as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Keertana Finserv Private Limited (Formerly known as Rajshree Tracom Private Limited) ("hereinafter referred as "Holding Company") and its subsidiary company which are companies incorporated in India as of that date.

In our opinion, except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at 31 March 2024, based on the internal controls with reference to consolidated financial statements criteria established by the Holding 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of consolidated financial statements of the Company for the year ended 31st March, 2024, and the material weakness do not affect our opinion on the Consolidated Financial Statements

Basis for Qualified Opinion

With respect to the Holding Company, according to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to consolidated financial statements as at 31st March, 2024:

The Holding Company's internal financial controls with respect to the auction policy including KYC norms for bidders are not operating effectively

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The respective Boad of Directors of the Holding company and its subsidiary company which are the companies incorporated in India are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statement 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Inherent Limitations of Internal Financial Controls with reference to the consolidated financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding company and its subsidiary company which are companies incorporated in India 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor of the subsidiary company which is company incorporated in India in terms of their report is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to the consolidated financial statements of Holding Company and its subsidiary company which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the consolidated financial statements

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

For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790

Place : Secunderabad
Date: 15.05.2024

UDIN:24022790BKAIJE3593

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

Particulars	Note No	As at March 31,2024
ASSETS		
1). Financial Assets		
a. Cash and cash equivalents	3	6,148.22
b. Bank balance other than cash and cash equivalents	4	1,639.24
c. Loans	5	1,56,942.59
d. Investments	6	1,211.99
e. Other financial assets	7	814.55
		1,66,756.59
2). Non-financial assets		
Current Tax Assets (Net)	8	-
Deferred Tax Assets (Net)	9	831.93
Property, Plant and Equipment	9	2,114.12
Right of use asset	10	1,801.81
Other non-financial assets		351.93
		5,099.78
Total assets		**1,71,856.37**
LIABILITIES AND EQUITY		
LIABILITIES		
1). Financial liabilities		
a. Payables		
(I) Trade payables	11	
(i) total outstanding dues of micro enterprises andsmall enterprises		2.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		76.24
b. Debt Securities	12	48,699.31
c. Borrowings (Other than Debt Securities)	13	80,947.19
d. Other financial liabilities	14	2,814.55
		1,32,539.92
2). Non-financial liabilities		
a. Current tax liabilities (Net)	15	263.27
b. Provisions	16	77.47
c. Deferred tax liabilities (Net)	8	-
d. Other non-financial liabilities	17	212.30
		553.05
EQUITY		
a. Equity share capital	18	10,434.48
b. Other equity	19	28,328.92
		38,763.40
Total liabilities and equity		**1,71,856.37**

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJE3593

For Keertana Finserv Private Limited

Padmaja Gangireddy
Managing Director
DIN: 00004842
Place : Hyderabad
Date: 15.05.2024

Vara Prasad Chaganti
Director
DIN: 09425725
Place : Hyderabad
Date: 15.05.2024

Prakash Bhawnani
Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

CONSOLIDATED OF STATEMENT PROFIT AND LOSS

AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	Notes	As at March 31,2024
Revenue From operations		
Interest income	20	24,600.48
Fees and commission income	21	2,120.68
Net gain on fair value changes	22	227.17
Total revenue from operations		**26,948.32**
Other income	23	790.08
Total income (I + II)		**27,738.41**
Expenses		
Finance costs	24	12,523.83
Impairment on financial instruments	25	1,165.25
Employee benefits expenses	26	3,548.48
Depreciation, amortization and impairment	27	607.75
Others expenses	28	933.73
Total expenses		**18,779.04**
Profit before tax (III - IV)		**8,959.36**
Tax Expense/(benefit) :		
Current Tax	29	2,394.87
Deferred Tax	29	-621.48
Profit for the period (V-VI)		**7,185.97**
Other comprehensive income		
Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans (net of tax)		1.24
Subtotal (A)		**1.24**
Items that will be reclassified to profit or loss		-
Subtotal (B)		-
Other comprehensive income (A+B) (VIII)		**1.24**
Total comprehensive income for the period (VII + VIII)		**7,187.21**
Earnings per equity share of face value of Rs. 10 each)	30	
Basic (Rs.)		8.92
Diluted (Rs.)		8.92

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJE3593

For Keertana Finserv Private Limited

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Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON MARCH 31, 2024

A. Equity Share Capital

(Currency : INR in Lakhs)

Particulars	Outstanding as on April 1, 2022	Issued during the FY 22-23	Outstanding as on March 31, 2023	Issued during the Year 23-24	Outstanding as on March 31, 2024
Issued, Subscribed and paid up - fully paid (Equity shares of Rs.10 each, Fully paid-up)	124.76	6,306.37	6,431.13	4,003.35	10,434.48

B. Other Equity

(Currency : INR in Lakhs)

Particulars	Reserve and Surpluse				Total
	Statutory Reserve	Securities Premium	Retained Earnings	Impairment Reserve	
Balance at March 31, 2023	**335.83**	**8,730.22**	**1,343.03**	-	**10,409.07**
Profit for the year	-	-	7,185.97	-	7,185.97
Gain on acquisition of subsidiary	-	-	-	2.28	2.28
Other comprehensive income for the year	0.25	-	0.98	-	1.24
Total comprehensive income for the year (net of tax)	-	-	-	-	-
Transfer to Statutory Reserves	1,437.44	-	-1,437.44	-	-
Transfer to General Reserves	-	-	-	-	-
Issue of equity shares	-	10,730.36	-	-	10,730.36
Amounts utilised towards share issue expenses	-	-	-	-	-
Balance at Mar 31, 2024	**1,773.53**	**19,460.58**	**7,092.54**	**2.28**	**28,328.92**

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJE3593

For Keertana Finserv Private Limited

Padmaja Gangireddy
Managing Director
DIN: 00004842
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Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	As at March 31,2024
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	**8,959.36**
Adjustments for:	
Interest Income	-24,331.57
Interest Income of Fixed Deposits	-268.91
Fees and commission income	-2,120.68
Interest on lease deposits	-6.96
Fixed Asset written off	607.75
Depreciation, amortisation and impairment	12,255.39
Finance Cost on borrowings	244.61
Interest on lease liabilities	1,165.25
Impairment on financial instrument	-227.17
(Profit)/Loss on sale of mutual funds	71.96
Provision for gratuity & leave enchasment	-3,650.96
Cash used operations before working capital changes and adjustments for interest received and interest paid	
Adjustments for changes in Working Capital :	-2,53,489.44
(Increase) in Loans	-626.85
(Increase) in Other financial assets	-62.38
(Increase)/Decrease in Other non-financial assets	16.38
Increase in Trade payables	497.88
Increase in Other financial liabilities	-14.91
(Decrease) in Provisions	137.16
Increase in other non-financial liabilities	-2,53,542.16
	22,278.30
Interest income realised on financial assets	1,61,444.33
Cash inflow from Fees and commission income	-12,821.07
Finance costs paid	-2,587.04
Income tax paid (net of refunds)	-88,878.60
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	
CASH FLOW FROM INVESTING ACTIVITIES	-794.32
Purchase of property, plant and equipment	-62,798.72
Purchase of Investment measured at FVTPL	62,017.15
Proceeds from sale of Investment measured at FVTPL	-254.75
Investment in Subsidiary	216.14
Interest income realised on Fixed deposits	-1,478.26
Investment in deposits with original maturity of more than 3 months	-3,092.75
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**-3,063.17**

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2024

(Currency : INR in Lakhs)

Particulars	As at March 31,2024
CASH FROM FINANCING ACTIVITIES	
Proceeds from issue of equity shares (including securities premium)	14,746.74
Share issue expenses	-13.03
Proceeds from Borrowings (other than debt securities)	1,26,413.46
Repayment of borrowings (other than debt securities)	-96,272.30
Proceeds from Debt Securities	64,900.00
Repayment of debt securities	-15,475.00
Payment of lease liabilities	-414.34
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**93,885.54**
Net Increase / (Decrease) in Cash and Cash Equivalents	**1,914.19**
Cash and Cash Equivalents at the beginning of Year	4,219.76
Add: cash balance on account of acquisition of subsidiary	14.28
Cash and Cash Equivalents at the end of the Year	6,148.22
Components of Cash and Cash Equivalent:	
Cash on hand	935.15
Balance with banks (of nature of cash and cash equivalents)	
(a) Balances with banks (of the nature of cash and cash equivalents)	4,654.35
(b) Deposits with maturity less than 3 months	558.72
Total Cash and Cash Equivalents	**6,148.22**

The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash flows' as specified under Section 133 of the Companies Act, 2013, ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJE3593

For Keertana Finserv Private Limited

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Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024

NOTE 1.
CORPORATEINFORMATION

Keertana Finserv Private Limited (formerly Known as Rajshree Tracom Private Limited) ("the Company") was incorporated as a private limited Company on 14th February, 1996. The Debentures of the company are Listed on Bombay Stock Exchange Limited ("BSE"). The Company is primarily engaged in the business of financing Gold Loans, Loan Against Property and Housing Loans, Business Loans, Micro Enterprise Loans, and Consumer Loans to low-income customers in semi-urban and rural areas. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institution without accepting public deposits on 09-01-2001 vide Regn No. B.05.03970. Under the scale based regulations, the Company is categorised in the Middle Layer. The Registered Office of the Company is at - Office No 919, 9th Floor, 4A, Regus Granduer, Abanindra Nath Thakur Sarani, PS Arcadia Central (Camac Street), Park Street, Kolkata 700016, West Bengal and its Corporate Office is at Plot No. 31 & 32, Ramky Selenium Towers, Tower A, Financial Dist. Nanakramguda, Hyderabad - 500 032, Telangana.

NOTE 2 :
SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Consolidation

These Consolidated financial statements relate to Keertana Finserv Private limited ("holding company") and its subsidiary Keertana Financial Limited ("Subsidiary company") which constitute the "Group" hereinafter.

2.2 Basis of preparation

These Consolidated financial statements ('the financial statements ") of the Group have been prepared in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by Reserve Bank of India (RBI) to the extent applicable.
The financial statements for the year ended 31 March 2024 were authorised and approved for issue by the Board of Directors on 15th May 2024.

The financial statements for the year ended March 31, 2024 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 prescribed u/s.133 of the Act, as amended from time to time, in this regard, any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable, including notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI notification for implementation of Ind AS') issued by RBI.

The Group has transitioned to Ind AS in the financial year 2023-24, accordingly, the financial statements for the year ended March 31, 2024 are prepared under Ind AS for the first time.

2.3 Presentation of Financial Statements

The financial statements of the Group are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 37 Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

2.4 Statement of Compliance

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

2.5. Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

2.6. Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans , which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 'Impairment of Assets'

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees in lakhs upto two decimal places, except per share data and unless stated otherwise in compliance with Schedule III of the Act.

2.7 Principles of Consolidation

a. Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss. If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

b. Subsidiary:

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

c. Non-controlling Interests (NCI):

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of Control:

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

e. Transactions eliminated on consolidation:

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

f. Consolidated financial statements are prepared using uniform accounting policies. The adjustments arising out of the same are not considered material.

g. The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2024.

2.8 Summary of Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business Combination:

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

b. 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 lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment on financial assets

The measurement of impairment losses on loan assets 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.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan, other post employment benefits and the present value of the gratuity obligation 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 and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Other accounting judgments, estimates and assumptions

Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits, useful lives of property, plant and equipment, Right of Use Assets, valuation of deferred tax assets, fair value measurement of financial instruments, discount rate of lease liabilities, share based payments, provisions and contingent liabilities have been discussed in the respective policies.

2.9. Revenue recognition

a. Interest Income on loans

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the economic benefits can be measured reliably. The Group earns interest income primarily by giving loans.

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost.
Interest income on loans is recognised taking into account the amount outstanding and rate applicable.
EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.
The calculation of the effective interest rate includes transaction costs and fees (loan processing fees and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

b. Fees & Commission Income

Commission income from portfolio of loans is recognised on rendering of services. Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable.

c. Fees & Commission Income

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

d. Other income

Interest on overdue of loans and other ancillary charges are recognised upon realisation. All other income is recognised on an accrual basis upon satisfaction of performance obligation, when there is no uncertainty in the ultimate realisation/collection and income can be measured reliably

e. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of profit and loss as "Net loss on fair value changes".
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/loss on fair value changes.

3. Financial instruments

Financial assets and financial liabilities are recognised in the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

a. Initial recognition and measurement

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

b. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:
- Amortised cost
- Fair value through other comprehensive income (‘FVOCI’)
- Fair value through profit and loss (‘FVTPL’)

Financial assets at amortised cost

Financial instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

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

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate (‘EIR’) method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
The Group records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost:
Financial liabilities (other than financial liabilities at fair value through profit and loss) are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss.

Financial liabilities at fair value through Profit or Loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss..

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line or in the period the Group changes its business model for managing financial assets. Financial liabilities are not reclassified.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:
- The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

ii. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

iii. Financial Liabilities

Group accounts finance costs on the borrowing using EIR methodology considering ancillary cost incurred and premium payable on maturity

f. Impairment of Financial Assets

The Group recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets held at amortised cost.

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs. Or at fair value through other comprehensive income account

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- Debt instruments measured at amortised cost and fair value through other comprehensive income
- Loan commitments

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

i) Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

ii) Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

iii) Stage 3 Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) -

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

Exposure at Default -

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. Group has relied on peer benchmarking given the limited historical data points availability.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

The Group has adopted an ECL model for recognition of impairment on financial instruments.
A reconciliation between the provisioning norms as stipulated by RBI and the provisioning under ECL by the Group has been provided in Note 40 in the financial statements.

g. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note 38 - Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

h. Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013, or in case of assets where the estimated useful life was determined basis technical evaluation carried out by the Group, over the useful life so determined.

Asset Description	Useful life estimated (years)
Furniture & Fixtures	10
Office Equipment	5
Computers & Printers	3
Servers	6
Vehicles	10
Vehicles - Commercial	8

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognised in profit or loss any gain or loss relating to the partial or full termination of the lease.
- Making a corresponding adjustment to the right-of-use asset for all other lease modifications.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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 and equipment
The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its average incremental borrowing rate at the commencement date.. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made..

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

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as and when due.

h. Employee benefits

Defined Contribution Plan:
The Group has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Group contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Group has no further obligation beyond making the monthly contributions.
The Group's contributions to the above Plan are charged to the Statement of Profit and Loss as and when they become due.

Defined Benefit Plan:
The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

Short term employee benefit
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Other Employee Benefits:
The employees of the Group are entitled to compensated absence as per the policy of the Group, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

k. Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax
Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Group:
• has a legally enforceable right to set off the recognised amounts; and
• intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Group:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

l. Provision and contingencies

A provision is recognised when the Group has a present obligation as a result of past event, 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.
Contingent assets are not recognised in the financial statements.

m. Earnings per share

The Group reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

n. Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other 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, and bank overdrafts.

o. Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.
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p. Statutory reserve

In accordance with section 45-IC of the RBI Act, 1934, the Group creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss before any dividend is declared.

There are no standards that are issued but not yet effective from 1st April, 2024.

3. Cash and cash equivalent

Particulars	As at March 31, 2024
Cash on hand	935.15
Balance with bank	
in current accounts	4,654.35
in fixed deposits with maturity less than 3 months	558.72
Total	**6,148.22**

4. Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024
Fixed deposits with maturity of more than 3 months	-
Fixed Deposits	1,639.24
Total	**1,639 .24**

Particulars	As at March 31, 2024
A. Loans (at amortised Cost)	
Term loans	1,58,443.50
Inter Corporate Loans	-
Total (Gross)	1,58,443.50
Less: Impairment Loss allowance	1,500.91
Total (Net)	**1,56,942.59**
B. Loans (at amortised Cost)	
(I) Secured by tangible assets	
(i) Gold Loan	70,369.46
(ii) Loan Against Property / Housing Loans	7,992.79
Total (Gross) - (I)	**78,362.25**
Less: Impairment Loss allowance	339.65
Total (Net) - (I)	**78,022.60**
(II) Unseured	
(i) Micro Enterprise Loans (MEL)	65,663.61
(ii) Business Loans ('M'SME Loans)	7,036.90
(iii) Personal Loans/Consumer Loans	7,380.74
(iv) Corporate Loans	-
Total (Gross) - (II)	**80,081.25**
Less: Impairment Loss allowance	1,161.25
Total (Net) - (II)	**78,919.99**
Total (Gross) - (I) + (II)	**1,58,443.50**
Less: Impairment Loss allowance	1,500.91
Total (Net) - (I) + (II)	**1,56,942.59**
C. (I)Loans in India	
(i) Public Sector	-
(ii) Others	1,58,443.50
(II)Loans outside India	-
Total (Gross)	**1,58,443.50**
Less: Impairment Loss allowance	1,500.91
Total (Net)	**1,56,942.59**

5.1 There are no loans measured at Fair Value Other Comprehensive income or Fair value through Profit or Loss or Designated at fair value through Profit or Loss

5.2 Loans sanctioned and undisbursed amount to Rs. 729.64 lakhs as on 31 March, 2024 (31 March, 2023: 126.66 lakhs), and the same amount is disclosed under Other Financial Liabilities.

5.3 The Holding Company has balance of securitised assets amounting to Rs.27624.75 lakhs (31 March, 2023: NIL). These loan assets have not been de-recognised from the loan portfolio of the Holding Company as these do not meet the de-recognition criteria. The Holding Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors of Pass through Certificates (PTC). In terms of the said securitisation agreements, the Holding Company pays to buyer/investor of Pass through Certificates (PTC) on monthly basis the prorated collection amount as per the respective agreement terms.

5.4 The group has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2(76) either repayable on demand or without specifying terms/period. Refer related party disclosure (Note 43).

6.1 Investments

Particulars	As at March 31, 2024
(i) Mutual Funds (at Fair Value through Profit or Loss)	**1,211.99**
Total Gross (A)	**1,211.99**
(i) Investments outside India	-
(ii) Investments in India	**1,211.99**
Total Gross (B)	**1,211.99**
Less: Impairment loss Allowances (C)	-
Total (A) - (C)	**1,211.99**

6.2
There are no investments measured at Fair Value through Other Comprehensive Income.

6.3
The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

7. Other Financial Assets

Particulars	As at March 31, 2024
Security Deposit Leases	198.81
Insurance Claims receivables	30.83
Other receivables	584.90
Total	**814.55**

7.1
Other receivables includes unbilled revenue of INR 215.19 Lakhs (Previous Year - NIL) relating to Marketing Support Income.

8. Deferred tax assets (Net)

Particulars	As at March 31, 2024
Tax effect of items constituting deferred tax liabilities:	
Difference in written down value of property, plant and equipment as per Companies Act, 2013 and Income Tax Act, 1961	**9.09**
Difference in written down value of Right of Use assets as per Companies Act, 2013 and Income Tax Act, 1961	**453.48**
Deferred Tax liabilities (total) (A)	**462.57**
Tax effect of items constituting deferred tax assets:	-
On application of Expected Credit Loss method for loan loss provisions & related adjustments as per Ind AS 109	**377.75**
Amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	368.37
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	19.50
Impact of leases under Ind AS 116	**501.60**
Priliminary expenses	**8.62**
On Fair Value Changes of financial assets not adjusted under Income Tax Act, 1961	18.66
Deferred Tax liabilities (total) (A)	**1,294.50**
Total Deferred tax Asset/(liabilities) (Net)	**831.93**

8.1. Movement in deferred tax assets

Particulars	As at 31.03.2023	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at 31.03.2024
Tax effect of items constituting deferred tax liabilities:				
Difference in written down value of property, plant and equipment as per Companies Act, 2013 and Income Tax Act, 1961	884.17	-3.08	-	881.08
Difference in written down value of Right of Use assets as per Companies Act, 2013 and Income Tax Act, 1961	388.56	64.92	-	453.48

8.2. Movement in deferred tax assets

Particulars	As at 31.03.2023	Charged/(credited) to statement of profit or loss	Charged/(credited) to other comprehensive income	As at 31.03.2024
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	73.58	-304.17	-	377.75
Amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	86.42	-281.96	-	368.37
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	16.28	-3.63	0.42	19.50
On Fair Value Changes of financial liabilities not adjusted under Income Tax Act, 1961	410.85	-90.75	-	501.60
On Fair Value Changes of financial assets not adjusted under Income Tax Act, 1961	12.53	-6.13	-	18.66
Priliminary expenses	-	-8.62	-	8.62

9. Property, Plant and Equipment

Particulars	Furniture & Fixtures	Computers and printers	Servers	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount							
Deemed cost as at April 1, 2023*	906.97	190.66	2.77	644.66	101.41	1,846.47	1,759.81
Additions	429.20	126.68	14.54	183.65	40.94	795.00	563.09
Disposals	-	0.69	-	-	-	0.69	39.41
As at Mar 31, 2024	**1,336.17**	**316.66**	**17.31**	**828.31**	**142.35**	**2,640.79**	**2,283.49**
Accumulated depreciation and impairment:	-	-	-	-	-	-	-
As at April 1, 2023	52.55	38.33	0.43	84.64	8.73	184.67	215.93
Depreciation for the year	109.93	72.53	0.54	145.17	14.00	342.17	266.88
Disposals	**-**	**0.17**	**-**	**-**	**-**	**0.17**	**1.12**
As at Mar 31, 2024	**162.48**	**110.69**	**0.97**	**229.81**	**22.72**	**526.67**	**481.68**
Net book value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at April 1, 2023	**854.43**	**152.34**	**2.33**	**560.02**	**92.68**	**1,661.80**	**1,543.88**
As at Mar 31, 2024	**1,173.69**	**205.97**	**16.33**	**598.50**	**119.63**	**2,114.12**	**1,801.81**

10. Other non-financial assets

Particulars	As at March 31, 2024
Advance for Expenses	4.10
Capital Advances	84.37
Prepaid Expenses	103.79
Balance with Government Authorities	146.33
Other Consumables	13.34
Total	**351.93**

11. Trade payables

Particulars	As at March 31, 2024
A: Total outstanding dues of micro enterprises and small enterprises	2.62
B: Total outstanding dues of creditors other than micro enterprises and small enterprises	76.24
Total	**78.87**

11. Trade Payables Ageing Schedule

Particulars	As at March 31, 2024			
	Outstanding for following periods from due date of payment			
	Less than 1 year	1-3years	More than 3 years	Total
(i) MSME	2.62	-	-	2.62
(ii) Others	76.24	-	-	76.04
(iii) Disputed Dues - MSME	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-
	78.87	-	-	**78.67**

12. Debt Securities

Particulars	As at March 31, 2024
At amortised cost	
Redeemable non-convertible debentures	48,699.31
	48,699.31
Out of Above	
Debt Securities in India	48,699.31
Debt Securities outside India	-
Total	**48,699.31**

12.1. Details of debt securities

i)**INE0NES07030**: 15,000 (31 March, 2023: 0), @ 11.65% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 150 Crores . The date of allotment was 23 June, 2023 (Rs.20Crores), 27th Jul,2023 (Rs.60Crores), and 17th August,2023(Rs.70Crores) . The amount outstanding as on 31 March, 2024 is Rs.83.175 Crores (31 March, 2023: Rs. Nil).

(ii)**INE0NES07055:** 3,000 (31 March, 2023: 0), @ 11.60% Unlisted, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 30 Crores . The date of allotment was 29 August, 2023. The amount outstanding as on 31 March, 2024 is Rs.20 Crores (31 March, 2023: Rs. Nil).

(iii)**INE0NES07048:** 10,000 (31 March, 2023: 0), @ 11.60% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 100 Crores . The date of allotment was 11 Sep, 2023 (Rs.50Crores), and 26 Sep,2023 (Rs.50Crores). The amount outstanding as on 31 March, 2024 is Rs.70.3 Crores (31 March, 2023: Rs. Nil).

(iv)**INE0NES07063:** 5,000 (31 March, 2023: 0), @ 11.60% Unlisted, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 50 Crores. The date of allotment was 20 October, 2023. The amount outstanding as on 31 March, 2024 is Rs.42.575 Crores (31 March, 2023: Rs. Nil).

(v)**INE0NES07014:** 25 (31 March, 2023: 0), @ 14.90% Unlisted, Unrated, secured non-convertible debentures (NCD) of face value Rs. 1,00,00,000 each aggregating to Rs. 25 Crores. The date of allotment was 17 April, 2023. The amount outstanding as on 31 March, 2024 is Rs.15 Crores (31 March, 2023: Rs. Nil).

(vi)**INE0NES07071**: 16,000 (31 March, 2023: 0), @ 11.60% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 160 Crores. The date of allotment was 28 November, 2023(Rs. 50 Crores) and 15th December 2024 (Rs.110 Crores). The amount outstanding as on 31 March, 2024 is Rs.140.00 Crores (31 March, 2023: Rs. Nil).

(vii)**INE0NES07089:** 11,000 (31 March, 2023: 0), @ 11.50% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 110 Crores. The date of allotment was 20 February, 2024(Rs. 110 Crores). The amount outstanding as on 31 March, 2024 is Rs.110.00 Crores (31 March, 2023: Rs. Nil).

(viii)**INE0NES07089:** 11,000 (31 March, 2023: 0), @ 11.50% Listed, Rated, Secured, Senior,Taxable, Redeemable non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 110 Crores. The date of allotment was 20 February, 2024(Rs. 110 Crores). The amount outstanding as on 31 March, 2024 is Rs.110.00 Crores (31 March, 2023: Rs. Nil).

12.2.

All the above mentioned NCDs are having first and exclusive charge via deed of hypothecations signed over specific standard asset portfolio of receivables to the extent equal to an amount aggregating to the total outstanding such that the value of security shall be equal of 1.10 times). Further, NCDs detailed above in para (i) to (vi) are secured against personal guarantee of the Director.

12.3. Details of term of repayment

ISIN No	Type of NCD	Due of Date Redemption	Closing balance
			As at March 31, 2024
INE0NES07022	At Discount	31-01-2025	1,320.00
INE0NES07030	At Discount	22-02-2025	8,317.50
INE0NES07055	At Discount	28-02-2025	2,000.00
INE0NES07048	At Par	11-05-2025	7,030.00
INE0NES07063	At Par	20-06-2025	4,257.50
INE0NES07014	At Par	30-09-2025	1,500.00
INE0NES07071	At Par	28-11-2025	14,000.00
INE0NES07089	At Par	20-02-2026	11,000.00
Total			**49,425.00**
EIR Adjustment			**725.69**
Grand Total			**48,699.31**

13. Borrowings (Other than Debt Securities)

Particulars	As at March 31, 2024
At amortised cost	
Term loans	
from banks	29,773.32
from others	32,635.56
Loans against securitised assets	18,538.31
	80,947.19
Out of Above	
Secured Borrowings in India	80,947.19
Secured Borrowings outside India	-
Unsecured Borrowings in India	-
Unsecured Borrowings outside India	-
Total	**80,947.19**

13.1

Secured term loans from banks and financial institutions include loans from various banks and financial institutions and carry rate of interest in the range of 11.25% to 14.75% p.a (31 March, 2023: 11.00% to 15.00%). The loans are having tenure of 12 to 36 months (31 March, 2023: 12 to 36 months) from the date of disbursement and are repayable in monthly or quarterly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the holding Company. Further, term loans from Banks and NBFCs availed in FY 2022-23 are secured against personal guarantee of the Director.

13.2.

The Group has borrowings from banks and financial institutions on the basis of security of loans and the quarterly details filed by the Group with the banks and financial institutions are in accordance with the books of accounts of the Group for the respective quarters.

13.4

The Group has not defaulted in the repayment of debt securities, borrowings(other than debt securities) and interest thereon for the year ended 31 March, 2024 and 31 March, 2023

13.5

The Group has utilised the borrowings for the purpose for which it was obtained.

13.6

The Holding Company has balance of securitised assets amounting to Rs.27624.75 lakhs (31 March, 2023: NIL). These loan assets have not been de-recognised from the loan portfolio of the Holding Company as these do not meet the de-recognition criteria. The Holding Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors of Pass through Certificates (PTC). In terms of the said securitisation agreements, the Holding Company pays to buyer/investor of Pass through Certificates (PTC) on monthly basis the prorated collection amount as per the respective agreement terms.

13.7

Loans against securities assets are include investment in equity tranche of PTC amounting to Rs. 103.7 Lakhs as at 31st March 2024 (Nil as at 31st March 2023)

13.8. Terms of repayments
As at March 31, 2024

Term Loans from	Tenure	Repayment	Interest Ranges	Due with in a year		Due with in 1 to 2 year		Due with in 2 to 3 year		Due with in 3 to 4 year		Total
				No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	
Bank	1 to 3 Years	Monthly	11%-12%	57	5.916.67	17	2.055.56	-	-	-	-	7,972.22
			12%-13%	83	7,303.70	59	5,037.29	-	-	-	-	12,340.99
			13%-14%	32	2,963.49	14	1,166.83	-	-			4,130.32
			14%-15%	7	665.43	-	-	-	-			665.43
		Quarterly	12%-13%	7	2,357.14	4	1,1142.86	-	-			3,500.00
			13%-14$	5	1,187.50	-	-	-	-			1,187.50
NBFC	1 to 3 years	Monthly	14%-15%	150	7,014.99	26	1,301.82	-	-			8,316.82
		Quarterly	13%-14%	12	4,425.00	11	4,006.25	3	750.00			9,181.25
			14%-15%	3	1,125.00	-	-	-	-			1,125.00
	3 to 4 years	Monthly	14%-15%	12	500.00	12	500.00	11	458.33			1,458.33
Loan Against securitised assets (PTC)	1 to 3 Years	Monthly	12%-13%	64	12,926.35	6	1,531.28	-	-			14,439.63
			13%-14%	22	3,250.59	4	696.55	-	-			3,947.15
Total												**80,871.47**
EIR Adjustment												**-75.72**
Total												**80,947.19**

14. Other financial liabilities

Particulars	As at March 31, 2024
Amount payable to borrowers	3.10
Lease liability	1,992.99
Employee Related Payables	88.23
Insurance premium collected and payable	0.59
Loans sanctioned but undisbursed (Refer note 5.2)	729.64
Total	**2,814.55**

15. Current tax liabilities (net)

Particulars	As at March 31, 2024
Provision for income tax (net of advance taxes and TDS)	263.27
Total	**263.27**

16. Provisions

Particulars	As at March 31, 2024
Provisions for Employee benefit expenses	
Provision for gratuity	21.49
Provision for Leave Encashment	55.98
Total	**77.47**

17. Other non-financial liabilities

Particulars	As at March 31, 2024
Statutory dues payable	212.30
Total	**212.30**

18. Equity share capital

Particulars	As at March 31, 2024	
	Number	Amount
Authorised Capital Equity shares of INR 10 each	20,00,00,000	20,000
Total	**20.00.00.000**	**20,000**
Issued, subscribed and fully paid-up share **Equity Shares of INR 10 each fully paid up**	10,43,44,801	10,434.48
Total	**10,43,44,801**	**10,434.48**

18.1. Reconciliation of number of shares

Particulars	As at March 31, 2024	
	Number	Amount
At the beginning of the year	6,43,11,288	6,431.13
Shares issued during the Year	4,00,33,513	4,003.35
Outstanding at the end of the year	10,43,44,801	10,434.48

18.2. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares of par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Holding Company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.3. Details of shareholder(s) holding more than 5% of equity shares in the Company :

Name of shareholder	As at March 31, 2024	
	No. of shares held	% Holding
Vijaya Sivarami Reddy Vendidandi	7,98,63,230	76.54%
Padmaja Gangireddy	2,13,39,500	20.45%

18.4. Details of shares held by promoters at the end of the year
As at March 31, 2024

Promoter name	No of Shares at the beginning of the year	Change during the year	No of Shares at the year end	% of total shares	% change during the year
Vijaya Sivarami Reddy Vendidandi	4,87,69,743	310.93	7,98,63,230	76.54%	63.76%
Padmaja Gangireddy	1,24,44,823	88.95	2,13,39,500	20.45%	71.47%
Revan Saahith Reddy Vendidandi	23,73,085	-	23,73,085	2.27%	-
Hina Ansari	4,00,183	-	4,00,183	0.38%	-
Total	**6,39,87,834**	**399.88**	**10,39,75,998**	**99.65%**	**-**

19. Other Equity

Particulars	As at March 31, 2024
Securities premium account	19,460.58
Statutory Reserve	1,773.53
Retained earnings	7,092.54
Capital Reserve	2.28
	28,328.92

A. Nature and purpose of reserve

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

Statutory reserve:
Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

Capital Reserve
A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

Retained earnings
Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

B. Movement in Other equity

Particulars	As at March 31,2024
I. Securities premium reserve	
Opening balance	8,730.22
Add : Premium received on issue of securities	10,743.39
Less : Share issue expenses	13.03
II. Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	
Opening balance	336.08
Add : Transfer from retained earnings	1,437.44
III. Capital Reserve	
Opening balance	-
Add : Capital profit on consolidation	2.28
III. Retained earning	
Opening balance	1,342.77
Add : Profit for the year	7,185.97
Add : Other comprehensive income	1.24
Appropriations:	
Transfer to Special Reserve/s 45-IC of the Reserve Bank of India Act, 1934	-1,437.44
Transfer to General reserve	-
	7,092.54
Total	**28,328.92**

20. Interest income

Particulars	As at March 31,2024
On financial assets measured at amortised cost	
Interest on term loans	24,331.57
Interest Income on fixed deposits	268.91
Total	24,600.48

21. Fees and commission income

Particulars	As at March 31,2024
Fees and commission income	2,120.68
Total	**2,120.68**

22. Net gain on fair value changes

Particulars	As at March 31,2024
Net gain/(loss) on financial instruments at fair value through profit or loss	
Realised gain/(loss) on investments at FVTPL	217.23
Unrealised gain/(loss) on investments at FVTPL	9.94
Total	**227.17**

23. Other income

Particulars	As at March 31,2024
Interest on lease deposits	6.96
Profit of derecognition of ROU	4.01
Marketing Support Income	779.11
Total	**790.08**

24. Finance costs

Particulars	As at March 31,2024
On financial liabilities measured at amortised cost	
Interest on borrowings - Debt Securities	3,079.03
Interest on borrowings - Others	9,176.21
Interest on lease liabilities	244.61
Interest on advance tax	23.98
Total	**12,523.83**

25. Impairment on financial instruments

Particulars	As at March 31,2024
On financial instruments measured at amortised cost	
Loans	1,142.19
Loss written off	23.07
Total	**1,165.25**

26. Employee benefits expenses

Particulars	As at March 31,2024
Salaries and wages	3,366.53
Contribution to provident and other funds	46.62
Directors' sitting fees	44.16
Staff welfare expenses	19.20
Gratuity Expenses	15.74
Interest Expense on EBO as per Acturial Report	0.52
Compensated Absences	55.70
Total	**3,548.48**

27. Depreciation, amortization and impairment

Particulars	As at March 31,2024
Depreciation on property, plant and equipment	342.00
Depreciation of Right of use assets	265.75
Total	**607.75**

28. Other expenses

Particulars	As at March 31,2024
Rent	192.02
Rates and taxes	66.83
Enerygy Costs	45.97
Repairs and maintenance	79.70
Office maintenance	116.53
Printing and stationary	81.26
Advertisement, publicity and sales promotion expenses	23.15
Communication cost	54.63
Auditor’s fees and expenses (Refer Note 28.1)	22.27
Legal and Professional charges	71.35
Insurance	27.34
Expenditure on Corporate Social Responsibility (Refer Note 31)	10.81
Travelling and conveyance	9.81
Bank Charges	44.97
Interest and Penalties	18.37
Expenses for Credit Information Companies (under RBI)	20.42
Security Charges	4.35
Staff Recruitment Charges	20.79
DP Custodian Fees	6.43
Miscellaneous expenses	16.72
Total	**933.73**

29. Tax expense

Particulars	As at March 31,2024
In respect of the current year	2,394.87
Deferred tax charge/(credit)	-621.48
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	**1,773.39**

29.1

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:

Particulars	As at March 31,2024
Profit before tax	8,959.36
Applicable tax rate	0.25
Expected tax expense [A]	**2,394.87**
Deductions under Chapter VIA of the Income-tax Act, 1961	16.71
Others	1,798.90
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	579.26
Total	**2,394.87**

30. Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations

Particulars	As at March 31,2024
Basic and diluted	
Weighted average number of equity shares for computation of Basic EPS	8,05,46,921
Net profit for calculation of basic EPS	7,185.97
Basic earning per share	**8.92**
Dilutive earning per share	**8.92**

31. Contingent liabilities and commitments

a. Contingent Liabilities not provided for in respect of:

Particulars	As at 31 March 2024
i) Claims against the Company not acknowledged as debt;	-
ii) Other money for which the Company is contingently liable	-
Total	-

b. Capital commitments:

Particulars	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for	35,44,304.00
Total	**35,44,304.00**

32. Employee benefit obligations

32.1 Defined contribution plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Group recognized ₹46.59 Lakhs (March 31, 2023: ₹36.18 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss

32.2 Defined benefit plan

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the plan:

Particulars	As at March 31,2024
Defined Benefit Cost included in P & L	16.26
Other Comprehensive (Income) / Loss	-1.65
Total Defined Benefit Cost recognized in P&L and OCI	14.61
Defined Benefit Obligation the at end	21.49
Fair Value of Plan Assets at the end	-
Net Defined Benefit Liability/ (Asset)	21.49

Disclosure Information

A. Change in Defined Benefit Obligation

Particulars	As at March 31,2024
Defined Benefit Obligation at the beginning	6,88,395.00
Current Service Cost	15.74
Past Service Cost	-
(Gain) / Loss on settlements	-
Interest Expense	0.52
Benefit Payments from Plan Assets	-
Benefit Payments from Employer	-
Settlement Payments from Plan Assets	-
Settlement Payments from Employer	-
Other (Employee Contribution, Taxes, Expenses)	-
Increase / (Decrease) due to effect of any business combination/ divesture /transfer)	-
Increase / (Decrease) due to Plan combination	-
Remeasurements- Due to Demographic Assumptions	-0.66
Remeasurements - Due to Financial Assumptions	0.40
Remeasurements - Due to Experience Adjustments	-1.39
Defined Benefit Obligation at the end	21.49

B. Change in Fair Value of Plan Assets

Particulars	As at March 31,2024
Fair Value of Plan Assets at the beginning	-
Interest Income	-
Employer Contributions	-
Employer Direct Benefit Payments	-
Employer Direct Settlement Payments	-
Benefit Payments from Plan Assets	-
Benefit Payments from Employer	-
Settlement Payments from Plan Assets	-
Settlement Payments from Employer	-
Other (Employee Contribution, Taxes, Expenses)	-
Increase / (Decrease) due to effect of any business combination / divestiture /transfer)	-
Increase / (Decrease) due to Plan combination	-
Remeasurements - Return on Assets	-
(Excluding Interest Income)	-
Fair Value of Plan Assets at the end	-

C. Changes in Reimbursement Rights

Particulars	As at March 31,2024
Reimbursement Rights at the beginning	-
Reimbursement Service Cost	-
Gain/(loss) on Settlements	-
InterestIncome	-
Employer Contributions to Reimbursement Rights	-
Reimbursements to Employer	-
Increase / (Decrease) due to effect of any business combination / divesture /transfer)	-
Increase / (Decrease) due to Plan combination	-
Benefits paid by the Group in prior valuation period and settled by Fund Manager in current 3 Quarter	-
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	-
Reimbursement Rights at the end	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	As at March 31,2024
Asset Ceiling/ Onerous Liability at the beginning	-
Interest Income	-
Gain / (Loss) on Settlements	-
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-
Asset Ceiling / Onerous Liability at the end	-

E. Components of Defined Benefit Cost

Particulars	As at March 31,2024
Current Service	15.74
Cost Past Service Cost	-
(Gain) / Loss on Settlements	-
Reimbursement Service Cost	-
Total Service Cost	15.74
Interest Expense on DBO	0.52
Interest (Income) on Plan Assets	-
Interest (Income) on Reimbursement Rights	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-
Total Net Interest Cost	0.52
Reimbursement of Other Long Term Benefits	-
Defined Benefit Cost included in P & L	16.26
Remeasurements - Due to Demographic Assumptions	-0.66
Remeasurements - Due to Financial Assumptions	0.40
Remeasurements - Due to Experience Adjustments	-1.39
(Return) on Plan Assets (Excluding Interest Income)	-
(Return) on Reimbursement Rights	-
Changes in Asset Ceiling / Onerous Liability	-
Total Remeasurements in OCI	**-1.65**
Total Defined Benefit Cost recognized in P&L and OCI	**14.61**

F. Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act 2013

Particulars	As at March 31,2024
Current Liabilities	0.15
Non- current Liabilities	21.34

G. Amounts recognized in the Statement of Financial Position

Particulars	As at March 31,2024
Defined Benefit Obligation	21.49
Fair Value of Plan Assets	-
Funded Status	21.49
Effect of Asset Ceiling/ Onerous Liability	-
Net Defined Benefit Liability/ (Asset)	21.49
Of which, Short term Liability	0.15

H. Net Defined Benefit Liability (Asset) reconciliation

Particulars	As at March 31,2024
Net Defined Benefit Liability / (Asset) at the beginning	6.88
Defined Benefit Cost included in P & L	16.26
Total Remeasurements included in OCI	-1.65
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-
Amount recognized due to Plan Combinations	-
Employer Contributions	-
Employer Direct Benefit Payments	-
Employer Direct Settlement Payments	-
Credit to Reimbursements	-
Net Defined Benefit Liability / (Asset) at the end	21.49

I. Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	As at March 31,2024
(Gain) / Loss on Plan Liabilities	-1.39
% of Opening Plan Liabilities	-20.21%
Gain / (Loss) on Plan Assets	-
% of Opening Plan Assets	-

J. The principal assumptions used in determining gratuity obligations for the Company’s plans are shown below:

The financial and demographic assumptions on annual basis used for valuation as at the Valuation Date are shown below. The assumptions as at the Valuation Date are used to determine the Present Value of Defined Benefit Obligation at that date.

K. Summary of Financial Assumptions

Particulars	Valuation Date
	Year ended 31st March 2024
Discount Rate	7.26%
Salary Escalation	5.00%

L. Summary of Demographic Assumptions

Particulars	Valuation Date
	Year ended 31st March 2024
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%
Disability Rate (as % of above mortality rate)	0.00%
Withdrawal Rate	17.62%
Normal Retirement Age	62 Years
Average Future Service	33.02

M. Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	0.15
Year 2	0.15
Year 3	1.30
Year 4	3.66
Year 5	4.30
Year 6	3.78
Year 7	3.32
Year 8	2.96
Year 9	2.55
Year 10	2.24
Pay-outs above 10 years	15.57

The weighted average duration of the defined benefit obligation is 8.00

N. Discontinuance Liability

Amount payable upon discontinuance of all employment is INR 36,649

O. Sensitivity analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Summary of Financial & Demographic Assumptions

Scenario	DBO	Percentage Change
Under Base Scenario	21.49	0%
Salary Escalation - Up by 1%	23.28	8.30%
Salary Escalation - Down by 1%	19.87	-7.53%
Withdrawal Rates - Up by 1%	20.99	-2.35%
Withdrawal Rates - Down by 1%	22.00	2.35%
Discount Rates - Up by 1%	20.01	-6.92%
Discount Rates - Down by 1%	23.15	7.73%
Mortality Rates - Up by 10%	21.50	0.03%
Mortality Rates - Down by 10%	21.49	-0.03%

We have used Projected Unit Credit (P.U.C method) as prescribed by Ind AS 19.

33. Disclosure for Compensated absences

(i) Amount recognised in the balance sheet

Particulars	As at March 31,2024
Compensated Absences	55.98
Total	55.98

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

33. Leases

33.1 Group as a lessee

The Group has entered into long term lease arrangement for its branches. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option. The Company is restricted from assigning or subleasing the leased asset under the terms of lease.

Apart from above, the Group has short-term leases with contractual tenure of less than 12 months. The Group has recognised the lease payments associated with these leases as an expense on accrual basis.

33.2 Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

Particulars	As at March 31,2024
Balance at the beginning	1,639.05
Additions	-1,270.11
Finance cost accrued during the period	244.61
Payment of lease liabilities	-368.92
Balance at the end	**1,992.99**

33.3 Maturity analysis of undiscounted lease liability

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31,2024
Less than 3 months	136.67
3 to 12 months	376.84
1 to 3 years	928.70
More than 3 years	2,071.20
Total undiscounted lease liabilities	**3,513.41**

33.4 Amounts recognized in the Statement of Profit and Loss

Particulars	As at March 31,2024
Interest expense on lease liability	244.61
Expense relating to short-term leases	192.02
	436.63

33.5 Lease payments not included in measurement of lease liability

Particulars	As at March 31,2024
Short - term Leases	**192.02**
Leases of Low value assests	-
Variable lease payments	-
	192.02

B. Total cash outflow for leases for the year ended 31 March, 2024 was Rs. 368.92 lakhs

34. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Group.The Company is engaged primarily in the business of financing. The group operates in a single geographical segment i.e.domesctic. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

35.1. Names of the Related Parties

Key Managerial Personal	Padmaja Gangireddy - Managing Director
	Raghu Venkata Harish- Non-Executive Director
	Vara Prasad Chaganti- Non-Executive Director
	Mahesh Payannavar-Non-Executive Director
	Vijaya Sivarami Reddy Vendidandi-Non-Executive Director
	Prakash Bhawnani - Chief Financial Officer
	Komal Ratlani - Company Secretary (w.e.f. 01.07.2023)
Entities in which KMP (directors) and their relatives (close members) have significant influence	Keertana Financial Limited (w.e.f. 04.05.2023)
	Spandana Rural & Urban Development Organization (SRUDO)
	Spandana Mutual Benefit Trust (SMBT)
	Spandana Employees Welfare Trust (SEWT)
	Abhiram Marketing Services Limited (AMSL)
	Fins Technologies Limited(FINs)
	Keertana Financial Limited (KFL) (till 03.05.2023)
Relatives (close members) of KMP	Koteswaramma Enumula, sister of Padmaja Gangireddy
	Revan Saahith Reddy Vendidandi, son of Padmaja Gangireddy

Transactions with related parties for year ended 31st March, 2024

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence
Rent paid	48.05	-	23.25
Interest Expense on Loan taken	61.77	-	114.38
Financial Assets Acquisition	-	-	2,271.21
Purchase of Property, plant and equipment	-	-	107.85
Service Charges paid	-	-	60.92
Commission Income	-	-	37.15
Remuneration	66.58	33.49	-
Sitting Fees	44.16	-	-
Borrowings (other than Debt Securities)	6,870.00	-	32,515.17
Repayment of Borrowings (other than Debt Securities)	6,870.00	-	35,463.17

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm’s length basis. Outstanding balances at the period-end are unsecured and settlement occurs in cash.

35. Outstanding balances with related parties for year ended 31st March, 2024

Particulars	Key Managerial Personnel (Directors)	Key Managerial Personnel (other than directors)	Entities over which Key Management Personnel (Directors) and their relatives (close members) have significant influence
Commission receivable	-	0.13	-
Sitting Fees payable	10.80	-	-

36. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2024		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	6,148.22	-	6,148.22
Bank Balance other than cash and cash equivalents	1,639.24	-	1,639.24
Loans	1,21,773.63	35,168.96	1,56,942.59
Investments	1,211.99	-	1,211.99
Other Financial assets	615.94	198.61	814.55
Sub total	**1,31,389.01**	**35,367.57**	**1,66,756.59**
Non-financial assets			
Current Tax assets (Net)	-	-	-
Deferred Tax assets (Net)	-	831.93	831.93
Property, plant and equipment	-	2,114.12	2,114.12
Right to Use Assets	-	1,801.81	1,801.81
Other non-financial assets	351.93	-	351.93
Sub total	**351.93**	**4,747.85**	**5,099.78**
Total assets	**1,31,740.94**	**40,115.43**	**1,71,856.37**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of creditors of micro enterprises and small enterprises	2.62	-	2.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	76.24	-	76.24
Debt Securities	32,994.31	15,705.00	48,699.31
Borrowings (Other than Debt Securities)	58,651.43	22,295.77	80,947.19
Other Financial liabilities	821.56	1,992.99	2,814.55
Sub total	**92,546.16**	**39,993.76**	**1,32,539.92**
Non-Financial liabilities			
Current tax liabilities (Net)	263.27	-	263.27
Provisions	55.98	21.49	77.47
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	212.30	-	212.30
Sub total	**531.55**	**21.49**	**553.05**
Total liabilities	**93,077.71**	**40,015.25**	**1,33,092.96**

37. Fair value measurement

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 (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:
Level 1 - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Group can access at the measurement date.
Level 2 - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
Level 3 - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

37.1. Financial instruments by category

Particulars	Measurement category	Fair value hierarchy	As at March 31, 2024
Financial assets			
Measured at amortised cost			
Cash and cash equivalents	Amortised Cost	Level 1	6,148.22
Bank Balances other than cash and cash equivalents	Amortised Cost	Level 1	1,639.24
Loans	Amortised Cost	Level 3	1,56,942.59
Investments in			
Equity Investment in Subsidiary	Amortised Cost	Level 3	-
Mutual Funds	Fair Value	Level 1	1,211.99
Other financial assets	Amortised Cost	Level 3	814.55
Total Financial assets			1,66,756.59
Financial liabilities			
Measured at amortised cost			
Trade payables	Amortised Cost	Level 3	78.87
Debt Securities	Amortised Cost	Level 3	48,699.31
Borrowings (other than Debt Securities)	Amortised Cost	Level 3	80,947.19
Other financial liabilities	Amortised Cost	Level 3	2,814.55
Total Financial liabilities			1,32,539.92

37.2

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	As at March 31, 2024	
	Carrying value	Fair Value
Financial assets		
Security Deposits for Right of use	272.75	198.61
Loans	1,56,944.19	1,56,942.59
Investment in Mutual	1,202.05	1,211.99
Total	**1,58,418.99**	**1,58,353.19**
Financial liabilities		
Debt Securities	49,425.00	48,699.31
Borrowings (Other than Debt Securities)	81,022.91	80,947.19
Total	**1,30,447.91**	**1,29,646.50**

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2024.

The management assessed that fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques

Security Deposit

The fair values of Security deposits for premises are based on discounted cash flows using a simple average deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Loans

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Lease liabilities

The fair values of lease liability are based on discounted lease payments using a Group's average incremental borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Borrowings

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables and debt securities) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value. The fair value of floating rate borrowing is deemed to equal its carrying value.

Investment in Mutual fund

The fair values of the investment in mutual fund schemes are based on net asset value at the reporting date.

38. Breach of Covenant

During the financial year ended March 31, 2024, no bank or financial institution or debenture trustee has issued any notice of breach of covenant in respect of loans availed or debt securities issued by the Holding Company.

39. Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market and operational risks. Company’s goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. Further, company has Asset-Liability Management Committee (ALCO) to monitor ALM and liquidity risk.

39.1 Introduction and Risk Profile

Risk management and mitigation

The Group’s risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group’s policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.
It is the Group’s policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group’s continuous training and development emphasises that employees are made aware of the Group’s risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group’s risk appetite limits. The Group is generally exposed to credit risk, liquidity risk, market risk, and operational risk.

39.2.1. Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different products:

a) Gold Loan

i) Credit risk on Gold loan is generally reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan.

ii) Maximum Loan to Value ratio for Gold loans remains at 75%, as prescribed by Reserve Bank of India. Within this Loan to Value, the Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes.

iii) Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm with additional measures in place to ascertain the ownership of the gold being pledged. Apart from the branch staff, independent call by back office is made with preset questions asked to the customer for ascertaining the interest in loan, the ownership of the gold jewellery.

iv) In case of default, pledged Gold can be auctioned. Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds beyond the internal set threshold, which is generally close to realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

(b) Housing Loan/Loan against property

Group has a separate Credit Risk policy which outlines all the product characteristis and assessment of borrower, including the technical and legal aspects of the property. Loan against property or Housing loan involves not only the income assessment but also the property assessment. The detailed on the income assessment and property assessment is guided as per the credit policy applicable.

(c) Micro Enterprise Loans (MEL)

Micro Enterprise loans are unsecured loans wherein the credit delivery mechanism remains as per Joint Liability Group (JLG). Thus, despite being the unsecured characteristics, the loans have social collateral in place, i.e. the group guarantee. Credit risk under such arrangement is though higher that a secured loan but remains lower than the unsecured consumption loan. The loans are preliminary extended to women borrowers in the group for income generation purpose. In order to address credit risk under such product, Compay has stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. Group also follows key non negotiable underwriting norms incluidng having a own house mandatory without which the loan would get rejected. Group also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

(d) Business Loans ('M'SME Loans)

Micro SME loans are of unsecured nature and extended for business purpose. The well defined policy on credit appraisal is in place to ensure that the loan is sanctioned as per the eligibility norms.

(e) Personal Loans

Personal loan portfolio of the Group is limited to the existing customers, i.e. having one or more other secured loans. The credit risk thus gets limited.

39.2.2 Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

(a) Definition of default and cure

The Group considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 3 months past due on its contractual payments.

The staging criteria used by the Company is as below:

Loans months past due	Stage
Upto 30 days	Stage 1
Between 31 to 90 days	Stage 2
above 91 days	Stage 3

(b) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

(c) Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Group uses historical information wherever available to determine PD

(d) Loss given Default (LGD)

LGD is the estimated loss that the Group might bear if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

(e) Expected credit loss

Expected credit loss is a calculation of the present value of the amount expected not to be recovered on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

(f) Expected Credit Loss for the Financial Assets other than Loans

Particulars	Gross Carrying Amount at Default	Expected Credit Loss	Carrying amount Net of Impairment Provision
Cash and cash equivalents	6,148.22	-	6,148.22
Bank balance other than cash and cash equivalents	1,639.24	-	1,639.24
Investments	1,211.99	-	1,211.99
Other financial assets	814.55	-	814.55
Total	**9,813.99**	**-**	**9,813.99**

The Group has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and there is no history of defaults in the past. Also there has not been any changes in the credit rating of these custodians.

(g) Credit Quality of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
0 DPD	1,49,532.90	-	-	1,49,532.90
(1-30) DPD	10,134.10	-	-	10,134.10
(31-60) DPD	-	117.87	-	117.87
(61-90) DPD	-	49.26	-	49.26
(91-120) DPD	-	-	48.67	48.67
(>120) DPD	-	-	24.35	24.35

(h) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	62,218.59	54.96	4.63	62,278.18
Add: EIR impact of Service charges received	343.77			343.77
New assets originated or purchased	3,22,847.08	-	-	3,22,847.08
Assets derecognised or repaid (excluding write offs)	-2,25,561.87	-	-	-2,25,561.87
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-112.17	112.17	-	-
Transfers to Stage 3	-68.39	-	68.39	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1,59,667.01	167.13	73.02	1,59,907.16
Less: EIR impact of Service charges received	1,463.66	-	-	1,463.66
Gross carrying amount closing balance net of EIR impact of service charge received	1,58,203.35	167.13	73.02	1,58,443.50

(i) Reconciliation of ECL balance is given below:

Particulars	FY 2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	384.85	1.83	2.72	389.39
New assets originated or purchased	1,500.91			1,500.91
Assets derecognised or repaid (excluding write offs)	-384.85	-1.83	-2.72	-389.39
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-51.33	51.33	-	-
Transfers to Stage 3	-73.01	-	73.01	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	1,376.57	51.33	73.01	1,500.91

39.3 Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored.

The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Particulars	upto 1 month	over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months upto 1 year	Over 1 upto 3 years	Over 3 years upto 5 years	Total
As at March 31, 2024								
Trade payables	78.87	-	-	-	-	-	-	78.87
Debt Securities	1,651.66	6,545.83	1,568.33	8,940.00	15,447.69	14,725.04	-	48,878.56
Borrowings (other than debt securities)	5,049.46	5,142.65	6,278.93	16,292.51	26,639.31	20,711.83	41.66	80,156.35
Lease laibilities	45.94	45.63	45.09	132.35	244.49	928.70	2,071.20	3,513.41
Other financial liabilities	91.92	-	729.64	-	-	-	-	821.56
Total	6,917.84	11,734.11	8,622.00	25,364.86	42,331.49	36,365.57	2,112.86	1,33,448.74

39.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (a) Interest rate risk, and (b) Price risk.

a. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for short maturity periods.
The Group borrows at both fixed and floating interest rates for different periods. Floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31,2024	As at March 31,2023
On Floating Rate Borrowings:		
1% increase in interest rates	365.44	126.62
1% decrease in interest rates	(365.44)	(126.62)

b Price risk

The Group offers Gold loan as the product and is exposed to Price Risk on account of sudden change in price of Gold. Sudden fall in the gold price or fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part gets mitigated by a minimum 25% margin retained on the value of gold jewellery at the time of sanction of loan. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins, short tenure of the gold loans and quality valuation done at the time of sanction. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

39.5 Operational and business 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 lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Overall responsibility of managing the risk is with the Board. In accordance with the RBI, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, operational risk and other such risks. Company also has one management committee, Asset Liability Management Committee (ALCO), to manage market risk, liquidity risk and take funding decisions on day to day basis.

40. Capital Management

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

41.

This is the first year of consolidation since the control has commenced during year ending 31st March, 2024 only and hence, previous year figures are not given.

42. Additional regulatory disclosures

42.1

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

42.2

The Group has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

42.3

The Group has not entered into any scheme of arrangement.

42.4

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

42.5

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

42.6

All charges or satisfaction are registered with Registrar of Companies (ROC) have been registered within the stipulated statutory timelines.

42.7

The Group has not traded or invested in crypto currency or virtual currency during the financial year

42.8

The Group has not not been declared willful defaulter by any bank or financial Institution or government or any government authority.

43. Disclosure of Additional Information Pertaining to the Parent Company,and its subsidiary as per Schedule III of Companies Act,2013- to the companies Act 2013 for theyear ended 31 March, 2024

Name of the entity in the Group	As at 31st March 2024		Year ended 31st March 2024					
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total Comprehensive income	Amount
Parent Company: Keertana Finserv Pvt Ltd	96.87%	38,733.88	99.62%	7,158.73	100.00%	1.24	99.62%	7,159.97
Subsidiary Company Keertana Financial Limited	3.13%	1,250.77	0.38%	27.19	0.00%	-	0.38%	27.19

Notes to accounts form an integral part of standalone financial statements

As per our report of even date
For M. Anandam & Co.,
Chartered Accountants
Firm's registration No. 000125S

S. Venkateswarlu
Partner
Membership No. 022790
Place : Secunderabad
Date: 15.05.2024
UDIN:24022790BKAIJE3593

For Keertana Finserv Private Limited

Padmaja Gangireddy
Managing Director
DIN: 00004842
Place : Hyderabad
Date: 15.05.2024

Vara Prasad Chaganti
Director
DIN: 09425725
Place : Hyderabad
Date: 15.05.2024

Prakash Bhawnani
Chief Financial Officer
Place : Hyderabad
Date: 15.05.2024

Komal Ratlani
Company Secretary
Place : Hyderabad
Date: 15.05.2024