AMBIT Finvest
Pragati ke partner

# ANNUAL REPORT 2022-2023

AMBIT
Acumen at work

CELEBRATING 25 YEARS OF ACUMEN!

## Cautionary Statement:

The statements made in this report describe the Company's objectives and projections that may be forward-looking statements within the meanng of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to pibliclyamend, modify or revise any forward-looking statementts on the basis of any subsequent developments, information or events.

# INDEX

# BOARD OF DIRECTORS

**SANJAY SAKHUJA**
Executive Chairman & Whole Time Director

Mr. Sanjay Sakhuja oversees the Balance Sheet business of Ambit. He has been with Ambit Group for over 18 years. He led the Investment Banking Business as its first Non-Promoter CEO from 2009 to 2013. He started Ambit's Principal Investment Business in 2013 and led it till 2017. Since 2018, he has been overseeing the Lending Business as Executive Chairman of Ambit Finvest. He continues to be a Non- Executive Director at Ambit Private Limited, the holding Company.

Prior to joining Ambit, Mr. Sakhuja worked with Lazard, Arthur Andersen, Indal, and Citibank. At Ambit, he has worked across verticals, including Banking, Financial Services, Insurance, Auto, FMCG, and Industrials, and has advised numerous local and global clients on Mergers and Acquisitions, Divestitures, and Fund-raising transactions.

Mr. Sakhuja is a qualified Chartered Accountant and has also completed an Advanced Management Program from the Wharton Business School. He holds a B.A. (Hons) in Economics from St. Stephens College, Delhi.

**SANJAY AGARWAL**
CEO and Whole Time Director

Mr. Sanjay Agarwal is the Chief Executive Officer of Ambit Finvest Private Limited. Before joining Ambit Finvest, Mr. Agarwal established Finmax Credit and Finance Pvt. Ltd., a retail NBFC that was later acquired by the Ambit group. Under his guidance, the SME Lending business has had remarkable growth in AUM i.e. CAGR of over 80% since September 2018.

With nearly three decades of experience in the financial services industry, Mr. Agarwal exemplifies a strong entrepreneurial drive, exceptional business acumen, and robust credit underwriting skills.

Notably, during his tenure at Yes Bank, he successfully built an MSME lending book worth over INR 18,000 crore, disbursing loans exceeding INR 35,000 crore. He established and expanded the MSME lending team of over 800 members, extending Yes Bank's reach by 110 locations.

While serving as the Head of Risk at Standard Chartered Bank, Mr. Agarwal played a pivotal role in the introduction of the Unsecured Business Loan Product for SMEs. This product has now become a standard lending template in the industry.

Moreover, he has held significant leadership positions in esteemed organizations such as Centurion Bank of Punjab, SIDBI, and SBI Commercial & International Bank Ltd.

Throughout his illustrious career, Mr. Agarwal has facilitated the disbursal of over INR 1 Lakh Crore in loans within the MSME lending space, showcasing his deep expertise and remarkable contributions to the industry.

In 2010, ICAI had conferred him with the prestigious "Professional Achievers Award" for his exceptional achievements as a professional. In 2015, he was honoured with a Certificate of Recognition for enhancing the brand image of ICAI.

Mr. Sanjay Agarwal is a Chartered Accountant (Rank holder) from The Institute of Chartered Accountants of India and a Cost Accountant from The Institute of Cost and Works Accountants of India and has a Bachelor's degree in Commerce from Mohanlal Sukhadia University, Udaipur, Rajasthan.

**VIKRANT NARANG**
Deputy CEO and
Whole Time Director

Mr. Vikrant Narang is the Deputy CEO of Ambit Finvest Private Limited. He has played a pivotal role in building the Retail SME Business at Ambit Finvest including setting up credit and operational policies and processes, rolling out the branch expansion strategy, portfolio management, and treasury operations.

Mr. Narang has nearly two decades of experience in the financial services industry across corporate finance, debt and equity capital markets, and structured capital raising solutions. Prior to joining Ambit, he was a senior member of the KKR (NBFC) business, where he originated and underwrote numerous lending transactions. Previously, he was a Director at Barclays Capital (Investment Banking), responsible for client coverage across large Indian Groups, mid-market clients, and financial sponsors. Mr. Narang also worked in the Investment Banking division at ABN AMRO Bank and PwC. He has managed relationships across industries and diligence and managed portfolios for several years while being part of KKR, Barclays, and ABN AMRO. Extensive specialized experience across structured credit, acquisition financing, syndicated loans, and corporate finance advisory in onshore and offshore markets. He is a member of the National Forum on NBFCs and HFCs of the Confederation of Indian Industry (CII) and the National Committee on NBFCs of the Federation of Indian Chambers of Commerce and Industry (FICCI).

Mr. Vikrant holds B.A. (Hons.) Economics from SRCC, University of Delhi. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India.

**SANJAY DHOKA**
COO & CFO and
Whole Time Director

Mr. Sanjay Dhoka is the Chief Operating Officer (COO) & Chief Financial Officer (CFO) of the Company. He is part of the senior leadership team at Ambit Finvest and plays a key role in business planning and strategic decisions. Mr. Dhoka leads the Operations, Finance & Accounts, Treasury, Regulatory Compliance and Internal control functions at Ambit Finvest. Also, he manages the company's relationship with its various banking and financial partners.

Mr. Dhoka has around 30 years of cross–functional expertise from NBFCs to Stockbroking and Manufacturing and Mining industries. He has worked at few major companies in this space such as the Karvy Financial Services, the Anand Rathi Group, the Aditya Birla Group and the SOCGEN-Crosby Securities. Since 2010, he has been associated with the Ambit group.

Mr. Dhoka has played an instrumental role in setting up and growing the NBFC arm of Ambit Group and has also been a member of the Board of the company since May 2011. He is a qualified Chartered Accountant from The Institute of Chartered Accountants of India and possesses a degree in Bachelors of Commerce from the University of Ajmer, Rajasthan.

**K M JAYARAO**
Independent Director & Chairman of Risk Management Committee & IT Strategy Committee

Mr. K M Jayarao is a career banker and held various senior positions in ICICI Bank Limited. He superannuated from ICICI bank in 2017 after serving the institution for about 35 years. Post his retirement he joined Ambit Flowers Asset Reconstruction Company Limited (a joint venture company of Ambit Pvt. Ltd. and JC Flowers, USA) as Executive Vice Chairman to spearhead the company's plans to raise an offshore fund, acquire assets from the Banks and help to create value through various resolution strategies.

Mr. Jayarao has vast experience in Corporate Banking, Project Finance, Corporate Debt Restructuring, and Risk management. Mr. Jayarao headed the Special Asset Management Group (SAMG) in ICICI Bank and was involved in several Corporate Debt Restructurings, one-time settlements, asset sale, and recoveries through Courts. Mr. Jayarao was also a member of the sub-committee of RBI that issued the operational guidelines for ARCs. Mr. Jayarao headed the Risk Management Group of the Bank and its banking Subsidiaries and expanded the role of Risk management significantly during this period. Mr. Jayarao was also appointed as a Nominee Director of the Bank on several corporates. Mr. Jayarao retired from the services of the Bank on 31st March 2017.

Currently, Mr. Jayarao is a member of the Board of Directors of Ambit Finvest Private Limited; and a member of the expert committee of ICICI Prudential Real Estate Fund and Corporate Credit Opportunities Fund.

Mr. K M Jayarao has a Bachelor's degree in Mechanical Engineering and attended management programs conducted by University of Michigan School of Executive Education Centre and JP Morgan.

**SHALINI KAMATH**
independent Director & Chairperson of Nomination and Remuneration Committee and Corporate Social Responsibility Committee

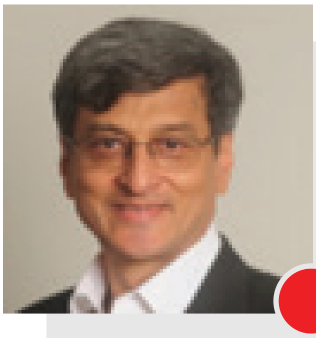
Shalini Kamath is an Independent Director on the Board of Abbott India Ltd., Borosil Renewables Ltd., Johnson Controls - Hitachi and Ambit Finvest Pvt. Ltd. She is also on the Advisory Board of TRRAIN (Trust for Retailers and Retail Associates of India). She is the Past Chairperson for FICCI - Women on Corporate Boards Mentorship program.

She has helped multiple organizations through their Change and Transformation journey to enhance productivity, efficiency, processes, systems and organizational culture. She is a Certified and practicing CEO & Leadership Coach having completed numerous assignments.

Her Human Resources career was as Group HR Head for Chevron Texaco, Star India, KPMG India, and Ambit Holdings. In addition, her role in managing the Corporate Communications function at Ambit Holdings has given her the experience in building a strong Corporate Brand, both externally and internally.

Prior to her roles in HR, Shalini was the Deputy Marketing Director at Raytheon India. She began her working career in Zambia and Botswana in Southern Africa where over a decade, she worked with the Governments of both the countries on several Educational and Social & Community Development projects.

She is an MBA graduate from Edinburgh Business School, UK. Trained at Harvard Business School in Change and Transformation. An alumni of CSC Global leadership program. A certified Zenger Folkman & Hogan facilitator.



**AMEET PARIKH**
independent Director & Chairman of Audit Committee

Mr. Ameet Parikh is the Managing Partner of Morphis Business Advisory, a successor to Tranzmute Capital & Management, a company he co-founded in 2011. Ameet is a Chartered Accountant from The Institute of Chartered Accountants of India and a Law graduate and has over 34 years of professional services experience.

After qualifying as a CA in 1984, Ameet started his career with Arthur Andersen during its start-up phase in India. He held leadership positions at Arthur Andersons and Ernst & Young.

Mr. Parikh founded Axis Risk Consulting, an independent and focused Risk Consulting organization, which was acquired by Genpact (NYSE: G), a US$ 2.5 Billion company. He continued to serve as Axis's Managing Director until 2010 and expanded the practice to Genpact's global clients across several countries.

Mr. Parikh has served companies principally, in the Health and Life Sciences, Manufacturing, Technology Services, Business Process Outsourcing and Advertising industries.

**SUNIL GULATI**
Senior Advisor to the Board of Directors

Mr. Sunil Gulati is an external advisor to Ambit Finvest.

He has three decades of global experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy.

He is the Chairman of Merisis Advisors and an Independent Director on the Boards of many reputed financial institutions which includes eminent names like PNB Metlife India Insurance; SBI Mutual Fund Trustee Co; Fincare Small Finance Bank; Varthana Finance; Samunnati Finance; Kinara Capital etc. He is a member of SEBI's Advisory Committee on Mutual Funds and is a Charter Member of TiE, Mumbai and their Fintech Special Interest Group. He is also a Senior Advisor to Adani Capital, MoneyTap and WEH Ventures.

He has been a key member of the management teams at RBL Bank Ltd, Yes Bank, ING Group and Bank of America at the stage of their rapid growth and transformation and establishment as mainstream players in the Indian Banking industry. His last role was as the Chief Risk Officer of RBL Bank Ltd.

Mr. Gulati holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad and a Bachelor in Technology (BTech) from Indian Institute of Technology (IIT), Delhi.

# AMBIT FINVEST- LEADERSHIP TEAM

**SANJAY SAKHUJA**
Executive Chairman

Around 40 years of experience across verticals including banking, financial services, insurance, auto, FMCG and industrials industrials.

Previously worked with Lazard, Arthur Anderson, Indal & Citibank.

**SANJAY AGARWAL**
CEO

Around 31 years of experience in Retail and SME lending

Previously worked with YES Bank, Standard Chartered, SIDBI, Centurion Bank, SBI Commercial & International Bank Ltd.

**VIKRANT NARANG**
Dy. CEO

Around 23 years of experience in the financial services industry across corporate finance, debt, and equity capital markets, and in structured capital raising solutions.

Previously worked with KKR, ABN AMRO, Barclays.

**SANJAY DHOKA**
COO and CFO

Around 30 years of experience in cross-functional expertise from NBFC, stock broking, manufacturing, and mining industries.

Previously worked with Anand Rathi group, Aditya Birla Group, Karvy Financial Services and SOCGEN-Crosby Securities

**SMITESH SHAH**
Chief Technology Officer

More than 27 years of experience with financial instituions & IT Companies.

Previously worked with Avanse Financial Services, VFS Global, L&T Finance, Future Capital Holdings and Wipro Infotech.

**KAUSHIK KHANNA**
Chief Risk Officer

More than 19 years of experience with Banks and Financial Institutions.

Previously worked with Clix Capital, Religare Finvest, ICICI Bank

**VIKRAM MANWANI**
Executive Vice President - Institutional & Supply Chain Business

More than 13 years of experience in Banks & Financial Institutions.

Previously worked with Yes Bank and ABN Amro.

**Manas Joshi**
Head- SME Business & Collections

More than 19 years of experience with banks and financial institutions.

Previously worked with Reliance Capital, ICICI Bank and GE.

**NAINA VERMA**
Vice President- Human Resources

More than 15 years of experience in Financial Institutions.

Previously worked with Neogrowth Pvt Ltd, Aditya Birla Capital and HSBC Investdirect.

**PRATEEK GARG**
Head - B2B Business

More than 12 years of experience in Banks & Financial Institutions.

Previously worked with Clix Capita & Yes Bank.

## BALACHENDIL. P
Business Head- Digital Acquisition

More than 24 years of experience with Banks & Financial Institutions.

Previously worked with Tata Finance, ICICI Bank, Tata AIG, Dhanlaxmi Bank

## SUBRAMANIAM IYER
Business Head- Vehicle Finance

More than 21 Years of experience with Financial Institutions.

Previously worked with GE, Magma & IIFL.

## MEENAL TALESARA
Vice President - Compliance Officer

More than 13 Years of experience with Financial Institutions.

Previously worked with Karvy Financial Services Ltd, Garagepreneurs Internet Pvt Ltd (Slice) and Sahayata Microfinance Pvt Ltd

## VASEEM KHAN
Vice President - Operations

More than 17 Years of experience with Financial Institutions.

Previously worked with Centrum Financial Services Ltd, A.K. Capital Finance Pvt Ltd, Anand Rathi Global Finance Ltd.

## PREMANKUR JANA
Head - Marketing & Strategic Partnerships

More than 13 Years of experience with Financial Institutions.

Previously worked with L & T Finance, Axis Bank, Wipro Technologies.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Sanjay Sakhuja
Mr. Ameet Parikh
Ms. Shalini Kamath
Mr. KM Jayarao
Mr. Sanjay Agarwal
Mr. Vikrant Narang
Mr. Sanjay Dhoka

## CHIEF FINANCIAL OFFICER

Mr. Sanjay Dhoka

## COMPLIANCE OFFICER

Ms. Meenal Talesara

## COMPANY SECRETARY

Ms. Neha Gandhi

## STATUTORY AUDITORS

M M Nissim & Co LLP
Barodawala Mansion, B-Wing,
3rd floor, 81, Dr. Annie Besant Road,
Worli, Mumbai – 400 018
Tel: +91 22 24969900
Website: www.mmnissim.com

## DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C-22,
G Block, 7th Floor, Mumbai, 400 051
Tel: +91 22 26593535
Website: www.vistraitcl.com

## CORPORATE IDENTIFICATION NUMBER

U65999MH2006PTC163257

## LEGAL ENTITY IDENTIFIER NUMBER

3358008A3U3MH6K83G57

## REGISTERED OFFICE

Ambit Finvest Private Limited
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013
Tel: +91 22 6860 1819
Website: www.finvest.ambit.co

## CORPORATE OFFICE

Ambit Finvest Private Limited
Kanakia Wall Street
5th floor A-506, Andheri Kurla Road,
Andheri East, Mumbai – 400 093
Tel: +91 22 68410001
Website: www.finvest.ambit.co

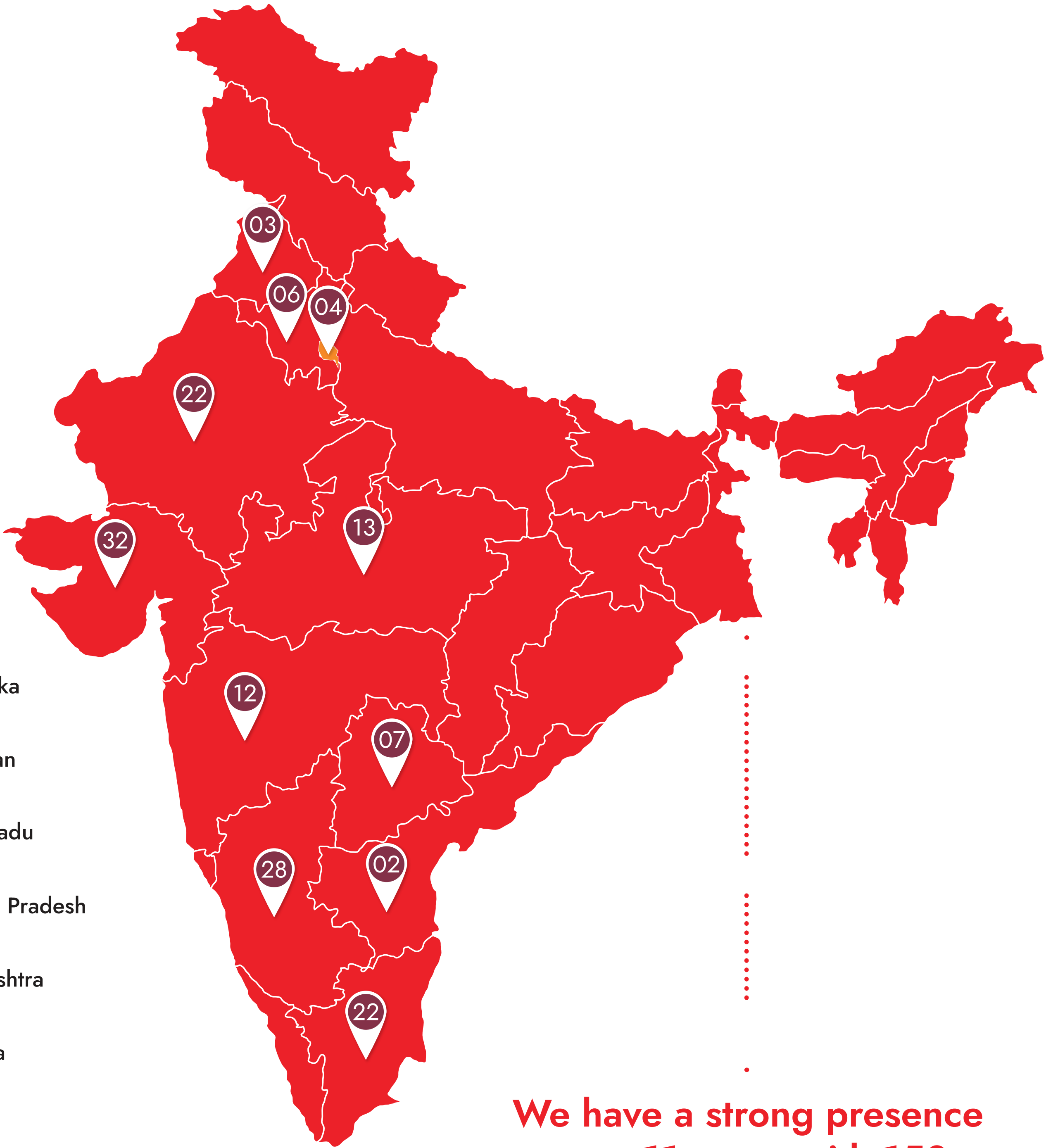
## REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
247 Park, C 101, 1 st Floor, LBS Marg,
Vikhroli (W), Mumbai - 400 083
Tel: +91 22 49186000
Website: www.linkintime.co.in

## BANKERS AND LENDERS

- AU Small Finance Bank
- Aditya Birla Finance Ltd
- Bajaj Finance Limited
- Bandhan Bank Limited
- Bank of Baroda
- Bank of Maharashtra
- Canara Bank
- CSB Bank Limited
- DCB Bank Limited
- Dhanlaxmi Bank Limited
- Federal Bank Limited
- HDFC Bank Limited
- IDBI Bank Limited
- Indian Bank
- Indian Overseas Bank
- Indusind Bank Limited
- Karnataka Bank Limited
- Kotak Mahindra Bank Limited
- National Bank for Agriculture & Rural Development (NABARD)
- Nabkisan Finance Limited
- Small Industrial Development Bank of India (SIDBI)
- State Bank of India
- The South Indian Bank Limited
- Tata Capital Financial Services Ltd
- Ujjivan Small Finance Bank Limited
- Union Bank of India
- Utkarsh Small Finance Bank Limited
- UCO Bank Ltd
- Yes Bank Limited

# GEOGRAPHICAL PRESENCE




- 32 Gujarat
- 28 Karnataka
- 22 Rajasthan
- 22 Tamil Nadu
- 13 Madhya Pradesh
- 12 Maharashtra
- 06 Haryana
- 03 Punjab
- 04 Delhi
- 02 Andhra Pradesh
- 07 Telangana

**We have a strong presence across 11 states with 150+ branches.**

# CHAIRMAN'S LETTER

# To Shareholders

## Dear Stakeholders

After two years of COVID-led uncertainty, we finally witnessed a relatively benign, indeed positive, macroeconomic environment during 2022-23. The slight turbulence in the last quarter of this year, consequent to the mini crisis in the US banking industry, was fortunately short lived, and didn't really impact the Indian economy or its financial markets.

In line with our strategic plan, we took full advantage of this market environment to 'step on the gas'. I am delighted to announce that we have tripled our branch network during the year, expanding from 50 locations to 150. In line with our strategy, this expansion took place mostly in Tier II and Tier III towns. Our corresponding employee strength increased from 654 to 1,717 during the year.

In a strategic move in the third quarter of this year, we acquired SME Corner, a leading fintech player. The proprietary online platform, developed by SME corner over several years, gives us the ability to bolster our partnership based lending business and equips us with omnichannel sourcing capabilities. Moreover, it has significantly enhanced our digital in-house development capabilities. In addition to technology, this acquisition added AUMs of approximately Rs 250 crore, around 300 employees, and 18 branches to our franchise.

We achieved fresh disbursements during the year of Rs 1,763 crores, a substantial 81% increase over the previous year. Consequently, our AUMs grew 86% to Rs 2,682 crores, and our on balance sheet loan book grew 70% to Rs 2,247 crores. Our net income increased 61% to Rs 223 Cr. The ensuing consolidated Profit After Tax (PAT) saw a 32% rise to Rs 34 crores. Credit quality remained in check, with Gross NPAs decreasing from 2.84% to 2.24%, and Net NPAs declining from 1.77% to 1.33%. Our credit rating remains steady at AA- (Acuite).

Overall, the last year was marked by a significant enhancement of our franchise footprint, an investment expected to yield substantial returns in the forthcoming year(s). Despite the costs incurred for this expansion, we saw a reasonable increase in our profits. The year ahead will be one of consolidation in which we will work towards sweating our investments. We are hopeful to be able to achieve high single-digit ROEs in fiscal 2024, while maintaining an AUM growth trajectory of upwards of 60%.

We anticipate a small equity fundraise this year, supported by our parent company and an external investor. We will defer the larger fundraise for another year, allowing us to demonstrate the results of the investments made towards business expansion. Consequently the call on the partly paid shares will also be postponed until the larger fundraising event.

**With my best wishes,**
**Sanjay Sakhuja**
**Executive Chairman**

## DIRECTORS' REPORT

Dear Members,

The Directors of Ambit Finvest Private Limited ("the Company") are pleased to present their Seventeen Annual Report together with the annual audited financial statements for the financial year ended March 31, 2023.

### FINANCIAL PERFORMANCE

### Financial Highlights

The summary of the Company's financial performance for the financial year ended March 31, 2023 as compared to the previous financial year ended March 31, 2022 is summarised below:

***(Amount in Lakhs)***

| **Particulars** | **Consolidated** | | **Standalone** | |
|---|---|---|---|---|
| | **Year ended 31st March, 2023** | **Year ended 31st March, 2022** | **Year ended 31st March, 2023** | **Year ended 31st March, 2022** |
| **Revenue from operations** | | | | |
| Interest income | 29,034.52 | 18,569.75 | 28,980.15 | 18,553.36 |
| Net gain/(loss) on fair value changes | 738.38 | 394.22 | 662.40 | 394.22 |
| Net gain/(Loss) on derecognition of financial instruments under amortized cost category | 3,540.82 | 1,089.44 | 3,540.82 | 1,089.44 |
| Fees and Commission | 850.08 | 265.20 | 850.08 | 265.20 |
| **Total revenue from operations** | **34,163.80** | **20,318.61** | **34,033.45** | **20,302.22** |
| Other income | 921.64 | 136.88 | 921.64 | 136.88 |
| **Total income** | **35,085.44** | **20,455.49** | **34,955.09** | **20,439.10** |
| **Expenses** | | | | |
| Finance costs | 12,738.53 | 6,626.25 | 12,738.53 | 6,626.25 |
| Net loss on fair value changes | 89.21 | | 89.21 | |
| Impairment of financial assets | 2,892.30 | 750.99 | 2,892.30 | 750.99 |
| Employee benefits expense | 10,015.22 | 6,558.85 | 10,015.22 | 6,558.85 |
| Depreciation, amortization and impairment | 1,058.36 | 726.06 | 1,058.36 | 726.06 |
| Other expenses | 4,575.15 | 2,364.00 | 4,574.75 | 2,337.84 |
| | **31,368.78** | **17,026.15** | **31,368.37** | **16,999.99** |
| **Profit before tax** | **3,716.66** | **3,429.34** | **3,586.72** | **3,439.11** |
| **Tax Expense:** | | | | |
| - Current tax | | - | | - |

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | **Year ended 31st March, 2023** | **Year ended 31st March, 2022** | **Year ended 31st March, 2023** | **Year ended 31st March, 2022** |
| for the current year | 8.60 | 500.29 | -22.44 | 500.29 |
| (Excess)/short provision in respect of Earlier years | 1.76 | | | |
| | 10.36 | 500.29 | -22.44 | 500.29 |
| - Deferred tax credit | 304.30 | 358.14 | 301.84 | 360.60 |
| | 314.66 | 858.43 | 279.40 | 860.89 |
| **Profit for the year** | **3,402.01** | **2,570.91** | **3,307.32** | **2,578.22** |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of the defined benefit plans | 30.84 | -14.32 | 30.84 | -14.32 |
| Income tax on above | -7.76 | 3.60 | -7.76 | 3.60 |
| **Total other comprehensive income** | 23.08 | -10.72 | 23.08 | -10.72 |
| **Total comprehensive income for the year** | 3,425.09 | 2,560.19 | 3,330.40 | 2,567.50 |
| Earnings per equity share | | | | |
| (Nominal value of equity share Rs. 10 per share) | | | | |
| - Basic (Rs.) | 18.80 | 14.21 | 18.28 | 14.25 |
| - Diluted (Rs.) | 18.77 | 14.17 | 18.24 | 14.21 |

As at 31st March 2023, the loan book size was Rs. 2,27,961.86 Lakhs compared to Rs. 1,33,266.39 Lakhs as at 31st March 2022. The Gross Revenue has increased by around 71% at Rs.34,955.09 lakhs for the year ended 31st March 2023 compared to Rs. 20439.10 lakhs for the year ended 31st March 2022.

The profit after tax has increased by 28% at Rs. 3307.32 lakhs for the financial year ended March 31, 2023 as against Rs. 2578.22 lakhs for the previous financial year.

**NON-CONVERTIBLE DEBENTURES OF THE COMPANY**

During the year under review, the Company had issued Non-Convertible Debentures (NCDs) on a private placement basis as provided below:

| Instrument Type | Issuance Date | Amount (Rs. in lakh) |
|---|---|---|
| Rated, Listed, Secured, Redeemable Principal Protected Market Linked Non-Convertible Debentures | July 01, 2022 | 10,000 |
| Rated, Subordinated, Unsecured, Unlisted, Redeemable, Non-Convertible Debenture as Tier II Capital | November 30, 2022 | 5,000 |
| Rated, Secured, Listed, Redeemable, Non - Convertible Debentures | March 28, 2023 | 4,900 |

As specified in the respective offer documents, the funds raised from NCDs were utilised for various financing activities, onward lending, to repay existing indebtedness, working capital and general corporate purposes of the Company. Details of the end-use of funds were furnished to the Stock Exchange on a quarterly basis for the listed NCDs.

## CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY

During the period under review, there was no change in the nature of business of the Company. The Company is categorised as NBFC- Middle Layer in terms of Scale Based Regulation (SBR)- a revised framework for NBFC as issued by the Reserve Bank of India (RBI).

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is annexed as Annexure IV to this Report.

## SHARE CAPITAL

### A. Authorised Share Capital

During the year under review, there has been no change in the authorised share capital of the Company. The authorised share capital of the Company as on March 31, 2023 stood at Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2,50,00,000 Equity Shares of Rs. 10/- each.

### B. Issued and Paid up Capital

During the year under review, the Company has issued 3,333 Equity shares to employee of the Company pursuant to the exercise of stock options under the Employee Stock Option Scheme 2018. The paid-up equity share capital of the Company is Rs. 18,09,72,105 (Rupees Eighteen Crores Nine Lakhs Seventy Two Thousand One Hundred and Five only), comprising of 1,76,80,100 fully paid equity shares of face value of Rs. 10/- each and 41,71,105 partly paid equity shares of face value of Rs. 10/- Re.1 paid up.

### Other Equity

The reserves and surplus as at March 31, 2023 stood at Rs. 68,493.40 lakhs as against Rs. 64,992.61 lakhs as at March 31, 2022.

## SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

Ambit Housing Finance Private Limited (AHFPL) is the wholly-owned subsidiary of the Company by virtue of its holding of 100% Equity Shares. AHFPL was incorporated to carry on the business of housing finance lending activities, however the application to the Reserve Bank of India (RBI) for housing finance license was declined by RBI.

The Company does not have any Joint Venture or Associate Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Company's subsidiary in Form AOC-1 is annexed as Annexure I to this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company along with the consolidated financial statements in respect of subsidiary company are attached herewith.

During the period under review, there was no company which has become a Joint Venture/ Associate Company of the Company. The Company is a subsidiary of Ambit Private Limited which is into various funds based and non-fund based activities through group entities.

**PUBLIC DEPOSITS**

Being a non-deposit taking Company, the Company has not accepted any deposits from the public within the meaning of the provisions of Master Direction - Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of the Companies Act, 2013 ("the Act) are not applicable on the Company. Further, the Company shall not accept deposits from public without obtaining prior approval from the RBI. As per the Master Direction issued by the RBI, a resolution in this regard has also been passed by the Board of Directors at its meeting held on April 24, 2023.

Since the Company has not accepted nor invited any deposits, there are no amounts that remained unpaid or unclaimed as at the end of the year under review.

**DEBT-EQUITY RATIO**

The Debt Equity Ratio of the Company as at March 31, 2023 was 2.55x.

**EARNINGS PER SHARE (EPS)**

The Basic Earning per Share was Rs. 18.28 for the financial year ended March 31, 2023 as against Rs. 14.25 in the previous financial year ended March 31, 2022.

**NET OWNED FUNDS (TOTAL EQUITY)**

The Net Owned Funds of the Company as at the financial year ended March 31, 2023 stood at Rs. 59,817.71 Lakh as against Rs. 61,306.86 Lakh in the previous financial year ended March 31, 2022.

**CAPITAL ADEQUACY**

The Capital to Risk Assets Ratio ("CRAR") as on March 31, 2023 of the Company was 27.61% which is well above the minimum regulatory norms of 15% for non-deposit accepting NBFCs. Out of the above, Tier I capital adequacy ratio stood at 24.55% and Tier II capital adequacy ratio stood at 3.06% respectively.

**DIVIDEND**

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and, therefore, do not recommend any dividend for the financial year ended March 31, 2023.

**TRANSFER TO RESERVES**

Since the Company is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI"), therefore as required under section 45-IC of the Reserve Bank of India Act, 1934, the Company has transferred a sum of Rs. 661.46 Lakhs to statutory reserves out of profits.

Further, your Board of Directors does not propose to transfer any amount to general reserves of the Company.

## CREDIT RATING

During the year under review, Acuite Ratings reaffirmed their rating for the Long term and Short term debt programme of the Company. The Company has been assigned the rating of AA- for its Long Term bank facilities for Rs. 1,750 crores, AA- to the principal protected Market Linked Debenture issuance for Rs. 300 Crores, A1+ to the Commercial Paper issuance for Rs. 150 Crores and AA- to the Non-Convertible Debentures for Rs. 330 Crores by Acuite Ratings.

## BORROWINGS

The Company has strengthened its relationships with banks /financial institution. During the period under review, the Company met its funding requirements through debts from Banks, Financial Institutions and through issuance of Non-Convertible Debentures and Commercial Papers. The aggregate debt outstanding as on 31st March, 2023 was Rs. 1,79,142.52 lakhs. The Company has been regular in servicing all its debt obligations.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### (i) Composition

The Board of Directors of the Company comprise of professionals with wide experience and skills in the field of Banking and finance and is constituted in accordance with the Companies Act, 2013. The Company has seven (7) Directors on its Board, three (3) of them are Independent Directors including one (1) woman director as an independent director, details whereof are as follows:

| Sr. No | Name of Director | Position |
|---|---|---|
| 1. | Mr. Sanjay Sakhuja | Executive Chairman and Whole Time Director |
| 2. | Mr. Ameet Parikh | Independent Director |
| 3. | Mr. KM Jayarao | Independent Director |
| 4. | Ms. Shalini Kamath | Independent Woman Director |
| 5. | Mr. Sanjay Agarwal | CEO and Whole time Director |
| 6. | Mr. Vikrant Narang | Deputy CEO and Whole time Director |
| 7. | Mr. Sanjay Dhoka | Whole Time Director, CFO and COO |

During the year under review, there were no appointment(s) or resignation(s) on the Board of the company.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

### (ii) Key Managerial Personnel (KMP)

During the period under review, Ms. Reena Sharda resigned as the Whole-time Company Secretary and Compliance Officer of the Company w.e.f. August 8, 2022. Further, Ms. Neha Gandhi, was appointed as the Company Secretary and KMP of the Company w.e.f. August 8, 2022. Mr. Sanjay Dhoka is the Chief Financial Officer and KMP of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted the requisite declarations under Section 149(7) of the Act confirming that they meet the criteria of independence as specified under Section 149(6) of the Act that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the Independent Director’s databank maintained by the Indian Institute of Corporate Affairs (IICA).

It is the opinion of the Board that the Independent Directors possess relevant expertise, qualifications and experience in the fields of strategy, finance, people management, risk advisory, financial services, investment and they hold the highest standards of integrity.

**FIT AND PROPER CRITERIA**

All the Directors of the Company have confirmed that they satisfy the“fit and proper”criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016. The Company has received the requisite declaration and undertaking from all the Directors of the Company which have been taken on record by the Nomination and Remuneration Committee. The above declarations were placed before the Nomination and Remuneration Committee at its meeting held on April 24, 2023 and duly noted.

**BOARD MEETINGS**

The calendar of the Board Meetings is circulated to the Directors in advance to enable them to plan their schedule for effective participation at the meetings. The Board meets at regular intervals to inter-alia discuss about the Company's policies and strategy apart from other Board matters. The Board is responsible to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees provide direction and guidance to the Company's leadership and management team and further direct, supervise as well as review the performance of the Company. Further details on the Board, its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

**COMMITTTEES AND ITS MEETINGS**

The Board committees and other management committees play an important role in the governance and focus on specific areas and make informed decisions within the terms of reference and authority delegated. The Board committees and other management committees comprising of senior officials of the Company as the Members are guided by their respective terms of reference. In terms of the applicable circular(s), notification(s) and direction(s) issued by the Reserve Bank of India, the applicable provisions of the Companies Act, 2013 and the Company's Internal Guidelines on Corporate Governance, the Board of Directors of the Company have constituted/reconstituted the following committees for the effective business operations and governance of the Company:

| Sr. No. | Type of Committee |
|---|---|
| 1. | Audit Committee |
| 2. | Nomination and Remuneration Committee |
| 3. | Corporate Social Responsibility Committee |
| 4. | Risk Management Committee |
| 5. | Loan Approval Committee |
| 6. | Asset Liability Management Committee |
| 7. | IT Strategy Committee |
| 8. | IT Steering Committee |
| 9. | Operations Committee |
| 10. | Allotment and Transfer Committee |

**1. AUDIT COMMITTEE**

The Audit Committee is constituted in accordance with the RBI guidelines for NBFCs and the Act and the rules made thereunder. Further details on the Audit Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance report which forms a part of this Annual report and is annexed as Annexure III to this Report.

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**2. NOMINATION AND REMUNERATION COMMITTEE**

The Board of the Company has constituted a Nomination and Remuneration Committee (the "NRC") in accordance with the provisions of the Section 178 of the Act and the RBI guidelines for Non-Banking

Finance Companies (NBFCs). Further details on the NRC, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 3. CORPORATE SOCIAL RESPONSIBLITY COMMITTEE

The Board of the Company has constituted a Corporate Social Responsibility (the "CSR") Committee in accordance with Section 135 of the Act and applicable rules thereto. Further details on the CSR, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 4. RISK MANAGEMENT COMMITTEE

The Board of the Company has constituted a Risk Management Committee ("RMC") in accordance with the RBI Guidelines for NBFCs. Further details on the RMC, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 5. INFORMATION TECHNOLOGY (IT) STRATEGY COMMITTEE

The Board of Directors has constituted an IT Strategy Committee in accordance with the Master Direction on Information Technology Framework for Non-Banking Financial Companies issued by the RBI. Further details on the IT Strategy Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 6. INFORMATION TECHNOLOGY (IT) STEERING COMMITTEE

The Board of Directors has constituted an IT Steering Committee in accordance with the Master Direction on Information Technology Framework for Non-Banking Financial Companies issued by the RBI. Further details on the IT Steering Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 7. ASSET LIABILITY MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted an Asset Liability Management Committee (hereinafter referred to as "ALCO Committee") in accordance with the RBI Guidelines for NBFCs. Further details on the ALCO Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 8. ALLOTMENT AND TRANSFER COMMITTEE

The Board of Directors of the Company has constituted an Allotment and Transfer Committee. Further details on the Allotment and Transfer Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

### 9. OPERATIONS COMMITTEE

The Committee is authorized to take / carry out all administrative and operational decisions / activities as may be required for the Company's business/operations including the authority to delegate powers to officials, persons, etc. for business/operational matters. The Committee is further authorized to consider and fix the terms of issuance each Tranche of Non-Convertible Debentures. Further details on the Operations Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

## 10. LOAN APPROVAL COMMITTEE

The Board of Directors of the Company has constituted Loan Approval Committee. Further details on the Loan Approval Committee, its Meetings, composition, attendance, scope and terms of reference are provided in the Corporate Governance Report, which forms part of this Annual Report and is annexed as Annexure III to this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief, and as per the information and explanations obtained by them, hereby confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

f. internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and were operating effectively.

## CORPORATE GOVERNANCE

The Corporate Governance report as stipulated under the RBI circular on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs forms part of this Annual Report and is provided in Annexure III to this Report.

## COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## AUDITORS' REPORT

## STATUTORY AUDITORS

M/s M.M. Nissim & Co. LLP, Chartered Accountants (Firm Registration Number: 107122W/W100672) were appointed as the Statutory Auditors of the Company for a period of one year to hold the office from the conclusion of 16th Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company, at the terms, scope and remuneration approved by the Audit and Board of Directors and shall be considered for reappointment next year, subject to the fulfilment of the eligibility norms at terms with/without modification, if any, and subject to the approval of the Audit and Board of the Directors of the Company from time to time.

M/s M.M. Nissim & Co. LLP are eligible for the appointment as the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 and the said RBI Guidelines, and had furnished a certificate of their eligibility and consent in accordance with the provisions of the Companies Act, 2013 and relevant Rules framed thereunder. Accordingly, it is proposed to appoint M/s M.M. Nissim & Co. LLP, Chartered Accountants (Firm Registration Number: 107122W/W100672) for a period of 1 year, to audit the book of accounts of the Company for the FY 2023-24 and their appointment is placed for the members' approval at the ensuing annual general meeting.

**SECRETARIAL AUDITORS**

Pursuant to the applicable provisions of Section 204 of the Act and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s D.M. Zaveri & Co as the Secretarial Auditor of the Company for the financial year 2022-23.

The Secretarial Audit Report of the Company for the financial year under review is annexed as Annexure VII to this Report.

**COST RECORDS**

The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company.

**AUDIT REPORTS AND AUDITORS**

**(i) Statutory Auditor's report:** The Statutory Audit report for the financial year ended March 31, 2023 does not contain any qualification, reservation, or adverse remark or disclaimer. Auditors Report and the notes on Financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

**(ii) Secretarial Auditor's report:** The Secretarial Audit report for the financial year ended March 31, 2023 has an observation with regard to the vacancy caused in the appointment of Compliance Officer in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). In this regard, it is hereby submitted that pursuant to Regulation 6(1) of SEBI LODR for appointment of qualified company secretary as the compliance officer of the Company, Ms. Reena Sharda resigned as Company Secretary and Compliance Officer effective 8 August 2022. The Company has appointed Ms. Neha Gandhi as the Company Secretary of the Company effective 8 August 2022. The function of the Compliance Officer were being overseen by Ms. Neha Gandhi (ACS 55410), Company Secretary along with Mr. Sanjay Dhoka, Whole time Director, CFO and COO till the time the Company appointed Ms. Meenal Talesara (ACS 22658), qualified Company Secretary as the Compliance Officer of the Company effective 11 November 2022.

**(iii) Cost Auditor's report:** The provisions of Section 148 of the Companies Act, 2013 relating to submission of Cost Audit Report are not applicable to the Company.

**FRAUDS REPORTED BY AUDITORS u/s 143 OF THE COMPANIES ACT, 2013**

The Statutory Auditors have not reported any incident of fraud to the Board during the financial year 2022-23.

**INTERNAL AUDITORS**

Pursuant to the requirements of Section 138 of the Act and rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors of the Company had at their meeting held on May 27, 2022 appointed M/s. Aneja Associates, as the Internal Auditors of the Company for the financial year ended March 31, 2023.

## INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes, keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors.

The Company has its own process driven framework for internal financial controls. The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company is in the process of strengthening the internal team for this function.

The Company has appointed a reputed firm of Chartered Accountants to carry out internal audit on a regular basis that includes monitoring and evaluation of the efficacy and adequacy of internal financial controls, accounting procedures and policies and statutory compliances of the Company. The reports of the internal auditors are presented to the Audit Committee/Board which oversees the implementation of any corrective actions required. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors and Internal Controls over financial reporting is tested and certified by the Statutory Auditors.

During the year under review, no material observations have been highlighted for inefficiency or inadequacy of such controls.

## NOMINATION AND REMUNERATION (NRC) POLICY

The Board of the Company has adopted the Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) including officers / employee appointed for crucial role of Chief Risk Officer (CRO) and the Policy inter alia looks into the criteria for the remuneration for Directors, KMP and other senior management employees of the Company.

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

The salient features of the NRC policy are mentioned below:

(i) To ensure 'fit and proper' status of the proposed or existing Directors of the Company;

(ii) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, nomination and appointment of directors and KMPs, the remuneration of the directors, key managerial personnel and other employees;

(iii) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

(iv) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

(v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(vi) recommend to the Board, all remuneration, in whatever form, payable to Directors, Key Management Personnel and senior management.

(vii) to formulate, implement and administer the employee stock option scheme and any aspects related to the scheme as delegated by the Board of Directors from time to time including as part of such schemes.

(viii) to carry out such other functions as may be prescribed to be appropriate by the Board of Directors of the Company in this regard.

The Remuneration in accordance with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure V to this Report.

A copy of the Policy is published on the website (https://finvest.ambit.co/docs/Policy%20-%20Nomination%20and%20Remuneration%20-%2015-02-2023.pdf) of the Company.

**PARTICULARS OF EMPLOYEE STOCK OPTION SCHEME**

The Board of Directors at its meeting held on December 10, 2018 approved an Employee Stock Option Scheme called as the 'Ambit Finvest Employee Stock Option Scheme 2018' ("**Scheme**") and the shareholders of the Company approved the said Scheme at the Extra Ordinary General Meeting held on December 31, 2018.

The Board of Directors at its meeting held on August 8, 2022 and shareholders of the Company at the Extra Ordinary General Meeting held on August 17, 2022, approved to grant options to employees not exceeding 11,00,000 in aggregate at such price and on such terms and conditions as set out under the ESOP Scheme.

The Scheme became effective from December 31, 2018.

The details of the ESOP under Scheme as on March 31, 2023 is annexed as Annexure V to this Report and also disclosed in the accompanying financial statements.

**FAIR PRACTICE CODE**

The Company has adopted the fair practice code as per the RBI directions and seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. The same is available on the Company's website.

**RISK MANAGEMENT**

Being in the lending business, risk management forms a vital element of our business. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks.

The Company has adopted its own Risk Management policy that represent the basic standards of risk assessment to be followed by the Company. The Board is responsible for managing risk at an overall level to do this. The Board has delegated authority for overall risk management to the Risk Management Committee (RMC) to ensure focused oversight and committed board level capacity for this task. The Risk Management Committee is chaired by the Independent Director with all other members of the Committee being Non-Executive.

The Board has constituted the Asset Liability Management Committee (ALCO) to assess the risk arising out of liquidity gap and interest rate sensitivity.

The Company has also been following the group level risk management framework put in place by its holding company for itself and its subsidiaries. Further, it has established procedures to periodically place before its Investment and Risk Management Committee, the risk management and assessment measures.

**RELATED PARTY TRANSACTIONS**

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and RBI Master Directions. The same is displayed on the website(https://finvest.ambit.co/docs/Related%20Party%20Transactions%20Policy.pdf) of the Company.

All related party transactions are placed before the Audit Committee. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature.

During the year under review, the related party transactions that were entered into by the Company were on an arm's length basis and in ordinary course of business. Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

The details of transactions with Related Parties are given in the Notes to the accompanying Financial Statements.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to Section 186(11) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by an NBFC registered with the Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans have not been disclosed in this Report. The details of the Investments of the Company are given in the Notes to the accompanying Financial Statements.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year till the date of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board has constituted CSR Committee in accordance with Section 135 of the Companies Act, 2013 and the Committee is chaired by an Independent Director. The Company has also framed CSR Policy which is displayed on the website of the Company.

The CSR activities of the Company are channelized through Ambit Oditi Foundation (Oditi). Oditi is the registered Charitable Trust. As per the recent amendment made to the CSR Rules, Oditi is now registered with the Ministry of Corporate Affairs. The registration number for Oditi is CSR00004392.

Ambit personnel, Ambit group companies and other third parties contribute to the corpus of Oditi.

Ambit Oditi Foundation is a not-for-profit trust. It is committed towards creating life skill sets among the rural and urban poor, i.e. people who are essentially school dropouts or who could not pursue formal education. Ambit Oditi Foundation also helps assist support staff and their children and families with education as well as medical expenses and training for their spouses, thereby positively impacting their monthly household income.

The details of CSR activities undertaken by the Company during the year under review, are annexed as Annexure II to this Report.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the period under review, there was no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF).

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Company has established a vigil mechanism to deal with instances of fraud and mismanagement and to provide appropriate avenues to the directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud and to bring to the attention of the management, their genuine concerns and grievances about the behaviour of the employees. Adequate safeguards are provided against victimization of those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The Board of Directors of the Company have adopted a Whistle Blower Policy which is in compliance with Section 177(10) of Companies Act, 2013.

During the period under review, no cases under this mechanism were reported to the Company.

A copy of the Policy is published on the website of the Company.

**ANNUAL RETURN**

In accordance with the requirements under section 92(3) and section 134(3) of the Act and the applicable rules, the annual return as on March 31, 2023 is available on the website of the Company viz., **https://finvest.ambit.co/.**

**POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The policy against sexual harassment is embodied both in the Code of Conduct of Ambit Group as also in a specifically written policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has adopted zero tolerance for sexual harassment at workplace. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee (ICC) formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee is responsible for redressal of complaints related to sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during the year:

a) Number of complaints pending at the beginning of the year- NIL
b) Number of complaints received during the year- NIL
c) Number of complaints disposed off during the year- NIL
d) Number of cases pending at the end of the year- NIL

**INSOLVENCY AND BANKRUPTCY CODE 2016**

There has been no application made against the Company nor there is any proceeding pending under the Insolvency and Bankruptcy Code 2016 (31 of 2016) during the year under review.

**WEBSITE**

The Company's website **https://finvest.ambit.co/** provides information about the businesses carried on by the Company. It is the primary source of information to all the stakeholders of the Company and the general public at large. It also contains the Financial Results, Annual Reports, CSR, various Policies adopted by the Board and other general information about the Company and such other disclosures as required under various applicable regulations. In accordance with the Liquidity Risk Management Framework for Non-Banking Financial Companies, the Company on a quarterly basis provided a public disclosure on liquidity risk as on its website.

**ANNUAL REPORT**

The Annual Report containing, inter alia, the Directors' Report, Auditors' Report and other important information is circulated to members of the Company and other stakeholders prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on its website.


**ACKNOWLEDGEMENTS**

The Directors wish to place on record their sincere gratitude to the government and regulatory authorities and the bankers of the Company for the continued support and co-operation provided by them.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders/clients and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels.


**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF**
**AMBIT FINVEST PRIVATE LIMITED**

**SD/-**
**Sanjay Sakhuja**
Executive Chairman and Whole Time Director
DIN: 00004370

**SD/-**
**Sanjay Dhoka**
Whole Time Director, COO & CFO
DIN: 00450023

**Place:** Mumbai
**Date:** May 26, 2023

## ANNEXURE – I

### 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**

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

1. S. No.: 1
2. Name of the subsidiary: Ambit Housing Finance Private Limited
3. The date since when subsidiary was acquired: August 14, 2021
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.: April 2022 to March 2023
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.: Rupees
6. Share capital: Rs. 2,051.00
7. Reserves and surplus: 87.38
8. Total assets: Rs. 2,150.03
9. Total Liabilities: Rs. 11.65
10. Investments: NA
11. Turnover: 130.35
12. Profit before taxation: 129.94
13. Provision for taxation: 35.26
14. Profit after taxation: 94.69
15. Proposed Dividend: Nil
16. Extent of shareholding (in percentage): 100%

ANNEXURE – II

## ANNUAL REPORT ON CSR ACTIVITIES

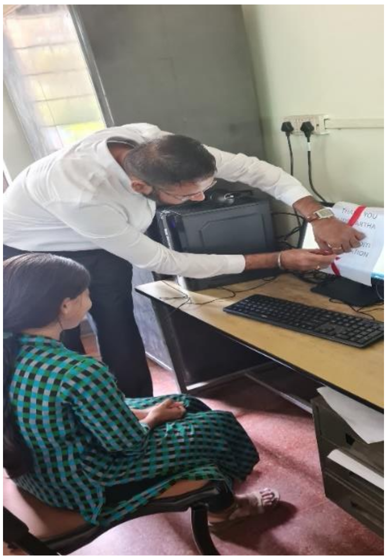
1. **Brief outline on CSR Policy of the Company:**

The Company has framed the CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy), Rules, 2014 made thereunder (including and statutory amendment(S), re-enactment(s), modification(s) made thereof.

The CSR activities of the Company are channelized through Ambit Oditi Foundation (Oditi) and/or such other implementing agency. Oditi is the registered Charitable Trust. As per the recent amendment made to the CSR Rules, Oditi is registered with the Ministry of Corporate Affairs. The registration number for Oditi is CSR00004392.

Ambit Oditi Foundation is a not-for-profit trust. It is committed towards creating life skill sets among the rural and urban poor, i.e. people who are essentially school dropouts or who could not pursue formal education. Ambit Oditi Foundation also helps assist support staff and their children and families with education as well as medical expenses and training for their spouses, thereby positively impacting their monthly household income.

The CSR Policy is displayed at the link: - https://finvest.ambit.co/




A SARADA SAMITI
UNDING DAY
NUAL-DAY

2. **Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Ms. Shalini Kamath | Independent Director and Chairperson of the CSR Committee | 2 | 2 |
| 2. | Mr. Sanjay Sakhuja | Executive Chairman and Member | 2 | 2 |
| 3. | Mr. Vikrant Narang | Dy CEO and Member | 2 | 2 |
| 4. | Mr. Sanjay Dhoka | CFO and Member | 2 | 1 |

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**.
   https://finvest.ambit.co/

4. **Provide the 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, if applicable (attach the report).**
   Not Applicable

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**
   NIL

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---|---|---|---|
| 1 | NIL | | |
| | **Total** | | |

6. **Average net profit of the company as per section 135(5).**

   Rs. 2,834.73 lacs

7. **(a) Two percent of average net profit of the company as per section 135(5)**

Rs. 56.70 lacs

**(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

**(d) Total CSR obligation for the financial year (7a+7b-7c**).

Rs. 56.70 lacs

8. **(a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| Rs. 56.70 lacs | **Amount.** | **Date of transfer.** | **Name of the Fund** | **Amount.** | **Date of transfer.** |
| | NIL | | | | |

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

NIL

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. 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 Rs.).** | **Amount spent in the current financial Year (in Rs.).** | **Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).** | **Mode of Implementation - Direct (Yes/No).** | **Mode of Implementation - Through Implementing Agency** | |
| | | | | **State.** | **District.** | | | | | | **Name** | **CSR Reg N.** |
| 1 | Projects undertaken for promoting education and skill development of youth | Promoting Education | Yes | Maharashtra | Mumbai | | 56,70,000 | 56,70,000 | - | No | Ambit Oditi Foundation | CSR00004392 |
| | **Total** | | | | | | **56,70,000** | **56,70,000** | | | | |

(d) **Amount spent in Administrative Overheads**

NIL

(a) **Amount spent on Impact Assessment, if applicable**: Not Applicable

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

Rs.56.70 lacs

**(c) Excess amount for set off, if any**

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Rs. 56.70 lacs |
| (ii) | Total amount spent for the Financial Year | Rs. 56.70 lacs |
| (iii) | Excess amount spent for the financial year (ii)-(i) | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years (iii)-(iv) | Nil |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

NIL

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | 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 Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer. | |
| | NIL | | | | | | |
| | Total | | | | | | |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

NIL

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| | NIL | | | | | | | |
| | Total | | | | | | | |

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**

    NIL

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

**RESPONSIBILITY STATEMENT**

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF**
**AMBIT FINVEST PRIVATE LIMITED**

| | |
|---|---|
| **SD/-** | **SD/-** |
| **Sanjay Sakhuja** | **Shalini Kamath** |
| Whole Time Director and Executive Chairman | Independent Director & Chairperson - CSR Committee |
| DIN: 00004370 | DIN: 06993314 |

**Place:** Mumbai
**Date:** May 26, 2023

## ANNEXURE III

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

At Ambit, we are firmly committed to sound practices in corporate governance and promote fairness, accountability uncompromising levels of integrity and transparency.

### 2. Compliance with Corporate Governance Guidelines:

The details of compliance with the requirements stipulated under the RBI guidelines, as applicable with respect to Corporate Governance are as follows:

### I. Board of Directors

The Board of Directors of the Company comprise of professionals with wide experience and skills in the field of Banking and finance and is constituted in accordance with the Companies Act, 2013. The Company has seven (7) Directors on its Board, three (3) of them are Independent Directors including one (1) woman director as an independent director, details whereof are as follows:

| Sr. No | Name of Director | Position |
|---|---|---|
| 1. | Mr. Sanjay Sakhuja | Executive Chairman and Whole Time Director |
| 2. | Mr. Ameet Parikh | Independent Director |
| 3. | Mr. KM Jayarao | Independent Director |
| 4. | Ms. Shalini Kamath | Independent Woman Director |
| 5. | Mr. Sanjay Agarwal | CEO and Whole time Director |
| 6. | Mr. Vikrant Narang | Deputy CEO and Whole time Director |
| 7. | Mr. Sanjay Dhoka | Whole Time Director, CFO and COO |

The Company adheres to the applicable provisions of the Act and the Secretarial Standards on the Board Meetings as prescribed by the Institute of Company Secretaries of India. Agenda papers containing all necessary information / documents are made available to the Board /Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

During the year under review and previous year, there has been no change in the composition of the Board of Directors of the Company. Further, none of the Directors of the Company are related to each other.

The following table lays down the composition and category of the Board including their DIN, other directorships including names of entities where they serve as directors, Committee positions held by them in other Companies and their shareholding as on 31st March, 2023 in the Company:

| Name and Category of the Directors | Director Since | No. of shares held in the Company | No. of Directorship in other Companies | Outside Committee positions held | | Category of Directorship and names of the entities where person is a director |
|---|---|---|---|---|---|---|
| | | | | Member | Chairperson | |
| Mr. Sanjay Sakhuja (DIN: 00004370) Executive Chairman and Whole time Director | 02/04/2012 | 5,40,000 | 1 | 3 | - | Non- Executive Director in Ambit Private Limited |
| Mr. Ameet Parikh (DIN: 00007036) | 18/02/2019 | - | 4 | 10 | - | i) Director in Axtel Industries Ltd |

| | | | | | | |
|---|---|---|---|---|---|---|
| Independent Director | | | | | | ii) Independent Director in Ambit Private Limited<br>iii) Director in India Capital<br>Director in India Capital Research and Advisors Pvt Ltd<br>iv) Director in Simmonds Marshall Ltd |
| Mr. KM Jayarao (DIN: 01077289) Independent Director | 18/02/2019 | 50,000 | - | - | - | - |
| Ms. Shalini Kamath (DIN: 06993314) Independent Director | 10/12/2018 | 45,000 | 3 | 11 | - | i) Independent Director in Abbott India Ltd<br>ii) Independent Director in Borosil Renewables Ltd<br>iii) Independent Director in Johnson Controls – Hitachi Air Conditioning India Ltd |
| Mr. Sanjay Agarwal (DIN: 07567669) Whole Time Director and CEO | 22/11/2018 | 7,20,000 | - | - | - | - |
| Mr. Vikrant Narang (DIN: 07842547) Whole Time Director and Deputy CEO | 11/07/2017 | 3,15,000 | 1 | - | - | Director in Ambit Housing Finance Pvt Ltd |
| Mr. Sanjay Dhoka (DIN: 00450023) Whole Time Director, CFO and COO | 02/05/2011 | 1,57,500 | 1 | - | - | Director in Ambit Housing Finance Pvt Ltd |

During the year under review, the Board met 6 (Six) times i.e. on April 20, 2022, May 27, 2022, August 8, 2022, November 11, 2022, November 18, 2022, and February 2, 2023 respectively. The frequency and quorum at these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act.

The attendance at the Board meetings during the period under review is given below:

| Sr. No | Name of Director and Designation | Board Meetings | | | Attended last AGM |
|---|---|---|---|---|---|
| | | No. of Board meetings entitled to attend | No. of Board meetings attended | % of attendance | |
| 1. | Mr. Sanjay Sakhuja, Executive Chairman and Whole time Director | 6 | 6 | 100 | Yes |
| 2. | Mr. Ameet Parikh, Independent Director | 6 | 6 | 100 | Yes |
| 3. | Mr. KM Jayarao, Independent Director | 6 | 6 | 100 | No |
| 4. | Ms. Shalini Kamath, Independent Director | 6 | 6 | 100 | No |
| 5. | Mr. Sanjay Agarwal, Whole Time Director and CEO | 6 | 6 | 100 | Yes |
| 6. | Mr. Vikrant Narang, Whole Time Director and Deputy CEO | 6 | 6 | 100 | Yes |
| 7. | Mr. Sanjay Dhoka, Whole Time Director, CFO and COO | 6 | 6 | 100 | Yes |

The details of the remuneration paid to the Directors for the financial year ended 31st March, 2023 is as follows:

| Sr. No | Name of Director | Remuneration (in Rs.) | | |
|---|---|---|---|---|
| | | Salary and other compensation | Sitting Fees | Commission |
| 1 | Mr. Sanjay Sakhuja | 1,91,90,004 | - | - |
| 2 | Mr. Ameet Parikh | - | 5,25,000 | - |
| 3 | Mr. K M Jayarao | - | 5,25,000 | - |
| 4 | Ms. Shalini Kamath | - | 5,50,000 | - |
| 5 | Mr. Sanjay Agarwal | 2,76,25,750 | - | - |
| 6 | Mr. Vikrant Narang | 2,14,09,479 | - | - |
| 7 | Mr. Sanjay Dhoka | 1,70,58,294 | - | - |

**II. Committees of the Board**

The Board has constituted various Board committees and other management committees with specific terms of reference as per the requirements of the Act, RBI Master Directions and other applicable provisions. As on 31st March 2023, the company has 10 (Ten) Committees of the Board as provided below:-

**A) Audit Committee**

The Audit Committee of the Board has been constituted as per the requirements set out in Section 177 of the Act and RBI guidelines**.**

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Ameet Parikh (Chairman)
(b) Mr. K.M. Jayarao
(c) Ms. Shalini Kamath

The members of the Committee are financially literate and learned, experienced and well known in their respective fields. The meetings of the Audit Committee are also attended by the CEO, Deputy CEO, Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees.

During the year under review, 4 (Four) Audit Committee Meetings were convened and held on May 27, 2022, August 8, 2022, November 11, 2022 and February 2, 2023 respectively. The required quorum was present for all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 days.

The attendance of the members of the Committee at the above meetings were as under:

| Name of the Member | Member of Committee since | Capacity (i.e. Executive/ Non-Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Mr. Ameet Parikh | 18/02/2019 | Chairman - Independent Director | 4 | 4 | - |
| Mr. K M Jayarao | 18/02/2019 | Independent Director | 3 | 4 | 50,000 |
| Ms. Shalini Kamath | 20/04/2022 | Independent Director | 4 | 4 | 45,000 |

**The terms of reference of the Committee are as follows:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions;
   (g) modified opinion(s), if any, in the draft audit report;

5. Reviewing, with the management, if applicable, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the end use of the related matters.

6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

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

8. Scrutiny of inter-corporate loans and investments;

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

10. Evaluation of internal financial controls and risk management systems;

11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. Discussion with internal auditors of any significant findings and follow up there on;

13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

16. To review the functioning of the whistle blower mechanism;

The Audit Committee also ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

**B) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted pursuant to the provisions of Section 178 of the Act and RBI guidelines.

The composition of the Committee as on March 31, 2023, is as under:

(a) Ms. Shalini Kamath (Chairperson)
(b) Mr. K.M. Jayarao
(c) Mr. Ameet Parikh
(d) Mr. Sanjay Sakhuja

During the year under review, 2 (Two) Nomination and Remuneration Committee Meetings were convened and held on April 28, 2022 and February 2, 2023 and the required quorum was present.

The attendance of the members of the Committee at the above meetings were as under**:**

| Name of the Member | Member of Committee since | Capacity (i.e. Executive/ Non-Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Ms. Shalini Kamath | 10/12/2018 | Chairperson - Independent Director | 2 | 2 | 45,000 |
| Mr. K M Jayarao | 11/11/2022 | Independent Director | 1 | 1 | 50,000 |
| Mr. Sanjay Sakhuja | 28/03/2014 | Executive Director | 2 | 2 | 5,40,000 |
| Mr. Ameet Parikh | 18/02/2019 | Independent Director | 2 | 2 | - |

**The terms of reference of the Committee are as follows:**

1. To ensure 'fit and proper' status of the proposed or existing Directors of the Company;

2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, nomination and appointment

of directors, the remuneration of the directors, key managerial personnel and other employees;

3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to Directors, Key Management Personnel and senior management.

7. To formulate, implement and administer the employee stock option scheme and any aspects related to the scheme as delegated by the Board of Directors from time to time including as part of such schemes.

8. To carry out such other functions as may be prescribed to be appropriate by the Board of Directors of the Company in this regard.

**C) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has been constituted pursuant to the provisions of Section 135 of the Act and RBI guidelines.

The composition of the Committee as on March 31, 2023, is as under:

(a) Ms. Shalini Kamath (Chairperson)
(b) Mr. Sanjay Sakhuja
(c) Mr. Vikrant Narang
(d) Mr. Sanjay Dhoka

During the period under review, 2 (Two) CSR Committee Meetings were convened and held on August 5, 2022 and November 11, 2022 and the required quorum was present at the meetings.

The attendance of the members of the Committee at the above meetings were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Mrs. Shalini Kamath | 18/02/2019 | Chairman - Independent Director | 2 | 2 | 45,000 |
| Mr. Sanjay Dhoka | 18/02/2015 | Executive Director | 2 | 1 | 1,57,500 |
| Mr. Vikrant Narang | 13/09/2017 | Executive Director | 2 | 2 | 3,15,000 |
| Mr. Sanjay Sakhuja | 18/02/2019 | Executive Director | 2 | 2 | 5,40,000 |

**The terms of reference of the Committee are as follows:**

1. Formulating and recommending to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of Companies Act, 2013

2. Recommending the amount of the expenditure for the CSR activities.

3. Recommending the annual action plan to undertake CSR program in accordance with the applicable law, and inclusive of the following items:

    (a) The list of CSR projects/programmes that shall be undertaken in areas or subjects specified in Schedule VI of the Act
    (b) The manner of execution of such projects or programmes
    (c) The modalities of utlisation of funds and implementation schedules for the projects or programmes
    (d) Monitoring and reporting mechanism for the projects or programmes

4. Monitoring CSR activities from time to time.

5. Ensuring that the funds are utilized for approved purposes and the activities are undertaken;

6. Implementation of the ongoing projects.

**D) Risk Management Committee**

The Risk Management Committee has been constituted pursuant to the RBI guidelines to frame, implement and monitor the Risk Management Plan of the Company.

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. KM Jayarao, Chairperson
(b) Ms. Shalini Kamath
(c) Mr. Ameet Parikh
(d) Mr. Sunil Gulati

During the year under review, 3 (Three) RMC Committee Meetings were convened and held on August 1, 2022, November 10, 2022 and February 1, 2023 respectively and the required quorum was present at the meetings.

The attendance of the members of the Committee at the above meetings were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Mr. K M Jayarao | 18/02/2019 | Chairman - Independent Director | 3 | 3 | 50,000 |
| Mr. Ameet Parikh | 18/02/2019 | Independent Director | 3 | 3 | - |
| Mr. Sunil Gulati | 18/02/2019 | Senior Advisor | 3 | 3 | 45,000 |
| Ms. Shalini Kamath | 18/02/2019 | Independent Director | 3 | 2 | 45,000 |

**The terms of reference of the Committee are as follows:**

1. To manage the integrated risk.

2. To put together a progressive risk management system and ensure that appropriate methodology, processes and systems are in place to identify, monitor, evaluate and mitigate the risks associated with the Company;

3. To formulate a Risk Management Framework/ Policy and review all polices applicable to the Company and recommend any amendments thereto to the Board for its approval; and ratify the changes made to them due to any regulatory amendments;

4. To review and approve the Internal Framework / documents of the Company that defined detailed process and checks for ease of operations and control;

5. To review the minutes of the meeting of Asset Liability Management Committee of the Company;

6. To ensure adherence to the limits set by the Board and in line with the budget and to decide risk management objectives thereto;

7. To evaluate the risk profile of the Company and key areas of risk in particular and define the Risk Appetite of the organisation;

8. To review the Risk Dashboard and Risk Portfolio of the Company; and review the delinquency at the product level;

9. To review and approve the activities pertaining to the Outsourcing activities.

10. Review of financial and operational condition of the service provider to assess its ability to meet its obligations on an annual basis.

11. To carry out such other functions as may be prescribed by the Reserve Bank of India and any other regulatory authority or Board of Directors of the Company in this regard from time to time.

**E) IT Strategy Committee**

The IT Strategy Committee has been constituted pursuant to Reserve Bank of India ("RBI") Master Direction on Information Technology Framework for the NBFC Sector read with RBI Master Directions, as amended.

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. KM Jayarao
(b) Mr. Sanjay Agarwal
(c) Mr. Vikrant Narang
(d) Mr. Sanjay Dhoka
(e) Mr. Gautam Gupte
(f) Mr. Sanjit Chowdhry
(g) Mr. Smitesh Shah

During the year under review, 2 (Two) IT Strategy Committee Meetings were convened and held on July 30, 2022 and February 1, 2023 and the required quorum was present.

The attendance of the members of the Committee at the above meetings were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Mr. K M Jayarao | 18/02/2019 | Chairman - Independent Director | 2 | 2 | 50,000 |
| Mr. Sanjay Agarwal | 31/08/2018 | Executive Director | 2 | 2 | 7,20,000 |
| Mr. Sanjay Dhoka | 31/08/2018 | Executive Director | 2 | 2 | 1,57,500 |
| Mr. Gautam Gupte | 31/08/2018 | Member | 2 | 1 | 45,000 |
| Mr. Sanjit Chowdhry | 24/06/2020 | Member | 2 | 2 | 45,000 |
| Mr. Vikrant Narang* | 08/08/2022 | Executive Director | 1 | 1 | 3,15,000 |
| Mr. Kaushik Khanna | 08/08/2022 | Member | 1 | 1 | - |
| Mr. Smitesh Shah | 17/03/2021 | Secretary | 2 | 2 | - |

* appointed as member of the committee w.e.f August 8, 2022

**The terms of reference of the Committee are as follows:**

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.

2. To review and amend the IT strategies from time to time in line with the business strategy, Policy reviews, cyber security arrangements and any other matter related to IT Governance.

3. Ascertaining that management has implemented processes and practices that ensure IT deliverable to the business.

4. Ensure investments in IT take into account risks and rewards and over all benefits to business, are within defined budgets.

5. Monitor the methodology that management adopts to determine the IT resources requirements for achieving strategic goals and provide high-level direction for sourcing and use of IT resources.

6. Ensure adequate IT investments with an oversight on IT risks and controls.

**F) IT Steering Committee**

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Sanjay Agarwal
(b) Mr. Vikrant Narang
(c) Mr. Sanjay Dhoka
(d) Mr. Sanjit Chowdhry
(e) Mr. Kaushik Khanna
(f) Mr. Chetan Vasisht

During the year under review, 1 (One) IT Steering Committee Meeting was convened held on June 7, 2022 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

| Sr. No | Name of Member | IT Steering Committee Meetings | | |
|---|---|---|---|---|
| | | No. of IT Steering meetings entitled to attend | No. of IT Steering meetings attended | % of attendance |
| 1. | Mr. Sanjay Agarwal | 1 | 1 | 100% |
| 2. | Mr. Vikrant Narang* | 0 | 0 | - |
| 3. | Mr. Sanjay Dhoka | 1 | 1 | 100% |
| 4. | Mr. Sanjit Chowdhry | 1 | 1 | 100% |
| 5. | Mr. Kaushik Khanna* | 0 | 0 | - |
| 6. | Mr. Chetan Vasisht | 0 | 0 | - |
| 7. | Mr. Gautam Gupte^ | 1 | 1 | 100% |

^resigned w.e.f. August 8, 2022
* appointed w.e.f. August 8, 2022

**The terms of reference of the Committee are as follows:**

1. To operate at an executive level and focusing on priority setting, resource allocation and project tracking.

2. Providing input to the development of the project, including the evaluation strategy

3. Defining and helping to achieve the project outcomes

4. To provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable

5. Identifying potential risks and mitigating and monitoring those risks during the tenure of the project

6. Providing advice and taking decisions regarding any changes to the project as it develops.

**G) ASSET LIABILITY MANAGEMENT COMMITTEE**

The Company has constituted this Committee in accordance with the RBI Master Directions. The Asset Liability Management Committee reviews the assets and liabilities position of the Company and gives directions to the finance team in managing the same.

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Sanjay Sakhuja
(b) Mr. Vikrant Narang
(c) Mr. Sanjay Agarwal
(d) Mr. Sanjay Dhoka
(e) Mr. Sanjit Chowdhry
(f) Mr. Kaushik Khanna

During the year under review, 12 (Twelve) ALM Committee Meetings were convened and held on April 13, 2022, May 12, 2022, June 22, 2022, July 13, 2022, August 29, 2022, September 13, 2022, October 14, 2022, November 15, 2022, December 22, 2022, January 12, 2023, February 17, 2023 and March 14, 2023 and the required quorum was present at the meetings.

The attendance of the members of the Committee at the above meeting were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company(includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | held | Attended | |
| Mr. Sanjay Sakhuja | 28/03/2014 | Executive Director | 12 | 11 | 5,40,000 |
| Mr. Vikrant Narang | 27/12/2017 | Executive Director | 12 | 12 | 3,15,000 |
| Mr. Sanjay Agarwal | 31/08/2018 | Executive Director | 12 | 10 | 7,20,000 |
| Mr. Sanjay Dhoka | 28/03/2014 | Executive Director | 12 | 12 | 1,57,500 |
| Mr. Sanjit Chowdhry | 24/06/2020 | Member | 12 | 12 | 45,000 |
| Mr. Kaushik Khanna^ | 08/08/2022 | Member | 8 | 8 | - |
| MS. Urvi Shetty (Secretary) | 02/02/2023 | Secretary | 2 | 1 | - |

^appointed w.e.f. August 8, 2022

**The broad terms of reference of the Committee are as follows:**

1. Balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.

2. Set the tone and influence the culture of ALM risk management within AFPL.

3. Determine the appropriate ALM risk appetite or level of exposure for the AFPL.

4. Deliberate on product pricing methods / strategies adopted / followed by the Company for advances made by it and review the Interest Rate Policy of the Company.

5. Approve major decisions affecting ALM risk (product pricing, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc).

6. View on future direction of interest rate movements and decide on funding mixes between fixed *vs* floating rate funds, wholesale *vs* retail deposits, money market *vs* capital market funding, domestic *vs* foreign currency funding, etc

7. Identify ALM risks, measure their impact and monitor the management of fundamental risks to reduce the likelihood of unwelcome surprises.

8. Satisfy it that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively.

9. Review the results of and progress in implementation of the decisions in its meetings.

10. Articulate the current interest rate review and formulate future business strategy on this view.

11. Review of risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans; and

12. Its responsibility would be to decide, with inputs from business origination and credit teams on sourcing funds and mix of liabilities or sale of assets for giving out loans.

The ALM Support Group is constituted in accordance with Guidelines on Liquidity Risk Management Framework issued by RBI on November 4, 2019.

**H) Allotment and Transfer Committee**

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Sanjay Sakhuja
(b) Mr. Sanjay Agarwal
(c) Mr. Vikrant Narang
(d) Mr. Sanjay Dhoka

During the year under review, 3 (Three) Allotment and Transfer Committee Meetings were convened and held on October 21, 2022, November 22, 2022 and March 31, 2023 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | held | Attended | |
| Mr. Sanjay Sakhuja | 10/12/2018 | Executive Director | 3 | 3 | 5,40,000 |
| Mr. Sanjay Agarwal | 10/12/2018 | Executive Director | 3 | 3 | 7,20,000 |
| Mr. Vikrant Narang | 10/12/2018 | Executive Director | 3 | 3 | 3,15,000 |
| Mr. Sanjay Dhoka | 10/12/2018 | Executive Director | 3 | 3 | 1,57,500 |

**The terms of reference of the Committee are as follows:**

1. To approve the allotment of securities of the Company

2. To issue share certificates, debenture certificates, or any other security certificate as may be required, and to review and approve all requests pertaining to sub-division of share certificates, debenture certificates, consolidation of share certificates, debenture certificates, transfer, transmission, split, issuance of duplicate share and debenture certificates.

3. To consider and approve admission of shares and other securities of the Company in a dematerialized form and provide an option to the shareholders/security holders to hold the shares and/or securities in the dematerialized form.

4. To review and approve requests pertaining to dematerialization or rematerialization of shares and or securities

5. To seek and obtain external legal and professional advice and assistance and also to secure the attendance of external advisors, if considered necessary

6. To handle the queries and complaints/grievances of the shareholders, debenture holders or any other security holders

7. To investigate any activity within the terms of references of the Committee

8. To do all such acts, deeds and things as may be necessary in relation to any of the activities covered within the scope of the Committee.

**I) Operations Committee**

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Sanjay Agarwal
(b) Mr. Vikrant Narang
(c) Mr. Sanjay Dhoka

During the financial year under review, 25 (Twenty-Five) meetings of the Operations Committee was convened and held on April 29, 2022, May 27, 2022, June 10, 2022, June 23, 2022, July 12, 2022, July 28, 2022, August 26, 2022, August 29, 2022, September 16, 2022, September 21, 2022, September 26, 2022, October 13, 2022, October 31, 2022, November 8, 2022, November 28, 2022, December 5, 2022, December 19, 2022, December 22, 2022, December 26, 2022, February 2, 2023, March 17, 2023, March 18, 2023, March 20, 2023, March 25, 2023 and March 30, 2023 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

| Name of the Director | Member of Committee since | Capacity (i.e. Executive/ Non Executive/Chairman/ Promoter/ Nominee/ Independent Director) | Number of Meetings of the Committee | | No. of shares held in the Company (includes partly paid equity shares) |
|---|---|---|---|---|---|
| | | | Held | Attended | |
| Mr. Sanjay Agarwal | 19/09/2018 | Executive Director | 25 | 21 | 7,20,000 |
| Mr. Sanjay Dhoka | 19/09/2018 | Executive Director | 25 | 24 | 1,57,500 |
| Mr. Vikrant Narang | 19/09/2018 | Executive Director | 25 | 24 | 3,15,000 |

**The terms of reference of the Committee are as follows:**

1. Borrowing (for any term - short, medium or long term) for business purposes or working capital requirements or general corporate purposes or for such purposes as approved by the Operations Committee from time to time from financial institutions, bankers and/or from any person/s, firms, body/ies corporate whether by way of loans, advances, deposits (other than public deposits), credit facilities by whatever name called or bank overdraft or by issuing (or otherwise) any capital market or financial market or money market instruments or otherwise and whether secured or unsecured and to provide or modify security by way of creating or modifying charge, mortgage, hypothecation, any encumbrance or otherwise on assets, properties, receivables, moveables, immoveables, etc. of the Company as may be necessary in respect of such borrowings, obtaining guarantee from the holding company or group entity or any third party and to do all acts, deed and things in this regard and also to authorize officials to sign, accept, modify and execute on behalf of the Company, the sanction letters and all applications, documents, papers, etc. as may be necessary in this regard;

2. Opening, operating, closing bank accounts of the Company including Overdraft account, Cash Credit account, authorizing officials for the same including approving change in authorized signatories for various bank account operations;

3. Identifying and finalizing office premises and approving all the terms and conditions related to such premises; negotiating, approving, finalizing, executing leave & license, lease agreement, rent agreement, expression of interests for premises for the Company, authorizing officials to approve, sign, execute such documents, agreements, papers, issuing undertakings, confirmations for such activities, registering documents, agreements, papers, etc. with sub-registrar offices and such other regulatory and other authorities, bodies, etc.; approving list of authorized signatories and changes thereto from time to time for these activities;

4. Obtaining Shops & Establishments (“S&E”) registrations for the offices of the Company; opening, closing of offices; authorizing officials to approve, sign, S&E applications, renewals, agreements, documents, papers, registering with authorities, bodies as necessary;

5. Decision making on legal matters, authorizing officials for handling legal matters, issuing general or specific power of attorneys for handling legal matters in favour of officials, authorizing officials to represent the Company before any Court(s), Tribunal(s), Judicial/Quasi-Judicial Authority, Arbitrator, Statutory/Regulatory Authority, Sub Registrar of Assurances, Commissions, Forum, Board, Statutory Bodies, etc.; to appoint, engage and retain counsels, advocates, attorneys, vakils, advisors, accountants, professionals, consultants and pleaders and to sign, execute and give warrant and/or vakalatnamas and/or memorandum of appearance for and on behalf of the Company, issuing vakalatnamas, filings applications and to do all acts, deeds, things as may be necessary in connection with the legal matters of the Company;

6. Appointing direct selling agents, vendors for various matters in connection with the business/operations of the Company; approving terms and conditions related to such appointments; approving, signing, executing agreements, documents and papers, etc. in connection thereto and to do all acts, deeds, things as may be necessary in connection with the legal matters of the Company;

7. To authorize officials/ signatories and to approve change in officials/ signatories for verifying, signing and executing the mortgage deed, debenture deeds, release deeds, such other agreements, papers, letters, documents or other documents including but not limited to registration thereof with relevant authorities, bodies, etc., as may be required and also to complete all legal formalities for taking into operation of said mortgages including but not limited to creation, modification, release of mortgages and to do all such acts, deeds or things as may be necessary, incidental or ancillary thereto;

8. To authorize officials/ signatories and to approve change in officials/ signatories for verifying, signing and executing the sanction letters, loan agreements, power of attorneys, security and guarantee related agreements, deed, documents, loan disbursement related documents, any loan related documents related to post-sanctioning of loans and to communicate with borrowers, co-borrowers, security providers, security trustees, guarantors, obligors, etc. and to do all such acts, deeds or things as may be necessary, incidental or ancillary thereto;

9. To authorize officials/ signatories and to approve change officials/ signatories for signing, authenticating and filing manually or electronically by means of Digital Signature Certificate (“DSC”), as the case may be, all forms and/or returns and/or documents notified by the Ministry of Corporate Affairs (“MCA”) or that may be notified from time to time by MCA under the Companies Act, 2013 and rules made thereunder (as amended from time to time) relating to creation, modification, satisfaction of charge (wherein the Company is a Charge Holder) of the Company;

10. To authorize officials/ signatories and to approve change in officials/ signatories for negotiating, finalizing, execute and sign the Business Correspondence agreements, Vendor agreements and Direct Selling Agreements (DSA) of the Company (“Agreements”), approve terms and conditions of such Agreements and approve, sign, execute all such other agreements, documents, papers, etc. as may be necessary in connection with the Agreements and to do all such acts, matters, deeds and things as may be expedient, desirable, incidental and ancillary in this connection;

11. To authorize officials/ signatories and to approve change in officials/ signatories for negotiating, finalizing and approving the vendors for legal and valuation reports or any other credit reports and to authorise the officials severally on behalf of the Company to execute and sign such agreements documents, papers, etc. as may be necessary in connection with the such vendors and to do all such acts, matters, deeds and things as may be expedient, desirable, incidental and ancillary in this connection;

12. As per the powers delegated by the Board from time to time, to appoint or make changes to the Nodal Officers and Principal Nodal Officers for the Company’s offices, existing branches as well as for the new branches under the Ombudsman Mechanism of the Company and to update the details of the offices, branches, Nodal Officers and Principal Nodal Officers, etc. in the Ombudsman Mechanism from time to time.

13. To take all steps and do all things necessary, expedient, or desirable to give effect to the transaction documents pertaining to the business or transaction under co-lending, including but not limited to,

to approve, negotiate, finalise, sign, execute, ratify, amend, and supplement the transaction documents.

14. to decide the authorized signatories who shall sign, execute all the necessary documents, papers, undertakings or agreements for the purpose of making investments of the Company.

15. to decide, finalise and appoint security trustee and approve the Security Trustee Agreement ("STA") and such other documents between the Company and the Security Trustee, to hold the security and the documents in trust for and on behalf and for the benefit of all the lender banks (existing as well as those who will be added in future) for the various lending facilities granted or to be granted by the existing and/or future lender banks up to a maximum aggregate amount of Rs. 5000 crores (Rupees Five Thousand Crores only);

16. As per the powers delegated by the Board from time to time, to do all such acts, deeds, and things as necessary with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures including but not limited to the following:

    (a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

    (b) executing the term sheet in relation to the Debentures or any Tranche/Issue of the Debentures;

    (c) negotiating, approving and deciding the terms of the issue of Debentures or any Tranche/Issue of the Debentures and all other related matters;

    (d) (if required) seeking the listing of any of the Debentures or any Tranche/Issue of the Debentures on any Stock Exchange, submitting the application for in-principle approval and the listing application and taking all actions that may be necessary in connection with obtaining such listing;

    (e) approving the debt disclosure document/shelf disclosure document/supplemental disclosure documents/ information memorandum/private placement offer cum application letter in the manner as set out in PAS-4 (as may be required) (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

    (f) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, valuation agency, legal counsel, the depositories and such other intermediaries as may be required including their successors and their agents;

    (g) entering into arrangements with the depositories in connection with the issue of Debentures or any Tranche/Issue of the Debentures in dematerialised form;

    (h) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

    (i) finalising the date of allocation and deemed date of allotment of the Debentures or any Tranche/Issue of the Debentures;

    (j) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange (if so required), the relevant registrar of companies, the sub-registrar of assurances, the Central Registry of Securitisation Asset Reconstruction and Security Interest, Information Utilities, the Ministry of Corporate Affairs, the depositories and such other authorities as may be required;

(k) to execute all documents with, file forms with, make applications with any Stock Exchange (if so required), the relevant registrar of companies, the sub-registrar of assurances (if so required), the Ministry of Corporate Affairs, the Central Registry of Securitisation Asset Reconstruction and Security Interest, Information Utilities or the depositories;

(l) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(m) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) debt disclosure document/shelf disclosure document/information memorandum/private placement offer cum application letter for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (as may be required) (collectively, the "Disclosure Documents");

(ii) debenture certificate for the Debentures or any Tranche/Issue of the Debentures;

(iii) debenture trust deed, debenture trustee agreement, deed of hypothecation and any other documents required for the creation of security interest over the Company's movable and/or immovable properties and assets or the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (including any powers of attorney in connection thereto) and any other document in relation thereto (collectively, the "Transaction Documents");

(iv) documents for opening of bank accounts and issuing instructions of bank accounts related thereto in connection with the Debentures or any Tranche/Issue of the Debentures including without limitation for the purposes of recognising the rights of the debenture trustee to operate such bank accounts;

(v) any other documents required for the purposes of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(vi) any other document designated as a security document by the debenture trustee/holders of the Debentures ("Debenture Holders").

(n) to represent before any authority and to pay any duty as may be required to be paid on behalf of the Company;

(o) do all acts necessary for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents; and

(p) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations certificates and reports in relation to (a) to (o) above, and to give such directions as it deems fit or as may be necessary or desirable with regard to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures.

17. To handle, act or to authorize officials as may be required for smooth operations of the Company;

18. To authorize or delegate (through Power of Attorney / Authority letter) any of its powers envisaged above to such officials, persons, etc. as may be necessary including for all the operations of the Company including approving any changes to the authorized signatories from time to time;

19. To approve and execute including any amendments, modifications, supplements, restatements or novations thereto (now or in the future) any documents, applications, agreements etc and authoring the officials, as may be necessary in relation to the proposal/transaction which are approved by the Board delegated internal Committee(s) for that purpose;

To do all acts, deeds or things as may be necessary, incidental or ancillary thereto in connection with the day-to-day business/operations.

**J) Loan Approval Committee**

The composition of the Committee as on March 31, 2023, is as under:

(a) Mr. Sanjay Sakhuja
(b) Mr. Sanjay Agarwal
(c) Mr. Vikrant Narang
(d) Mr. Sanjit Chowdhry
(e) Mr. Sunil Gulati

**The terms of reference of the Committee and approval process is as follows:**

The loan approval committee approve and sanctions various loan proposals in accordance with the Company's product policies / product notes and deviation matrix. The approval for the same is accorded via email confirmations.

**3. General Body Meetings**

Details of the last three Annual General Meetings and Special resolutions passed thereat:

| AGM | Date and Time | Venue | Special Resolution passed |
|---|---|---|---|
| 16th AGM | June 10, 2022 at 11 a.m. | Through Video Conferencing/ Other Audio Visual means | To Approve The Issuance Of Rated, Listed, Secured, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures ("Market Linked Non-Convertible Debentures") On A Private Placement Basis |
| 15th AGM | July 28, 2021 at 12 p.m. | Through Video Conferencing/ Other Audio Visual means | No Special Resolution was passed in the 15th AGM. |
| 14th AGM | July 28, 2020 at 12 p.m. | Through Video Conferencing/ Other Audio Visual means | No Special Resolution was passed in the 14th AGM. |

Details of the Extra-ordinary General Meetings and Special resolutions passed thereat:

| Date and Time | Venue | Special Resolution passed |
|---|---|---|
| February 13, 2023 at 4:30 p.m. | Through Video Conferencing/ Other Audio Visual means | To amend the Object Clause of the Memorandum of Association ("MOA") of the Company |

| | | |
|---|---|---|
| August 17, 2022 at 3 p.m. | Through Video Conferencing/ Other Audio Visual means | To increase the ESOP pool of Ambit Finvest Employee Stock Option Scheme, 2018 ("ESOP Scheme") |

**Postal Ballot**

During the financial year 2022-23, no resolutions have been passed through postal ballot.

Further, there is no proposal in the ensuing AGM to transact any business that requires the passing of resolution through postal ballot.

**4. Means of Communication**

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in The Free Press Journal and Navshakti Further, the quarterly/ half yearly/ annual financial results are approved by the Board basis the recommendation made by the Audit Committee and the result presentations are sent via e-mail to the Members whose email address is registered with the Company and are also simultaneously made available on Company's website at https://finvest.ambit.co/regulatory-information/disclosure.

**5. Details of non-compliance with requirements of Companies Act, 2013**

There has been no instance of non-compliance by the Company on any matter related to the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards during the year under review and hence no strictures/ penalties have been imposed on the Company in this regard.

**6. Details of penalties imposed by the Reserve Bank of India**

The Reserve Bank of India has not imposed any penalty for the year under review.

**7. Breach of covenant**

There is no breach of covenants of loans availed and debt securities issued during the year.

**8. Listing of Securities on Stock Exchange:**

a. Equity shares: The Equity shares of the Company are not listed on any of the Stock Exchange.

b. Non-convertible Debentures: The Company has issued rated, listed, secured non-convertible debentures (NCDs) on a private placement basis. Some of the NCDs are listed on BSE.

The Company has paid the listing fees to BSE for the financial year 2022-23 and 2023-24.

**9. Other Disclosures**

i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements.

ii. There have been no instances where the Board has not accepted recommendations of any Committee of the Board, during the financial year.

iii. A fine of Rs. 10,000 plus GST was imposed by the Stock Exchange i.e. BSE Limited vide its email dated September 28, 2022, for a delay of one (1) day in submission of the notice of Record Date under the Regulation 60(2) of the SEBI (LODR) Regulations, 2015 ("SEBI LODR") for the month of July 2021. The delay was accidental and the penalty imposed of Rs. 10,000 plus GST was paid on October 06, 2022.

## ANNEXURE IV

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

#### 1. Macro-economic developments:

The global economy has faced multiple crises in recent years, including the latest liquidity troubles after series of global bank crises. Although with contained impact, uncertainties have affected consumer and business spending, affecting economic growth. The IMF predicts India's growth at 5.9% in FY 2023-24 and an average of 6.1% over the next five years.

Amidst the prevailing challenges, numerous market analysts hold the belief that the current era could indeed mark India's prosperous decade. India’s exports thrived despite the global slowdown. Services exports surged by 30% due to digitization, cost-cutting, and remote work, leveraging India's comparative advantage in technology.

Certainly, the RBI has assumed a significant role in safeguarding the economy against inflationary pressures and ensuring adequate liquidity. It would be interesting to see how policymakers strike a balance between managing inflation, upholding financial stability, and promoting growth drivers. Consequently, the government must persist in fine-tuning policies and exploring innovative strategies to stimulate investments, as it has successfully executed in previous instances.

#### 2. Key developments in Credit Market and NBFC sector:

After weathering countless challenges over the past three fiscals, exacerbated by the Covid-19 pandemic, FY23 has brought growth back into focus for NBFCs. This is expected to continue into FY24, with AUMs projected to increase at 13-14% vis-a-vis single-digit growth over the past three fiscals. The acceleration will ride on improving economic activity, overall pick-up in credit demand, strengthened balance sheet buffers, and better asset quality metrics.

NBFCs have shown signs of healthier balance sheets and provisions compared to the levels seen pre-pandemic. Asset quality of NBFCs has been improving steadily as borrowers gradually recovered from the pandemic-induced stress.

With multiple rate hikes by RBI- it is expected to bring net interest margins pressure, the impact has been somewhat offset this fiscal as banks have not passed on the entire cost increase and NBFCs have been able to pass on the limited rate hikes to their borrowers. In the next fiscal, NBFCs are likely to pass on the borrowing cost at least in incremental disbursements in order to protect NIMs

The recent changes in taxation rules around MLDs and Debt Funds will also affect liability franchise for NBFCs. We are likely to see increase in their borrowing mix towards bank loans, NCDs, CPs, and overseas borrowing.

We expect to see increased partnerships on the co-lending side, integrations with fintechs, and the acquisition of customers through digital channels.

### State of Company Affairs:

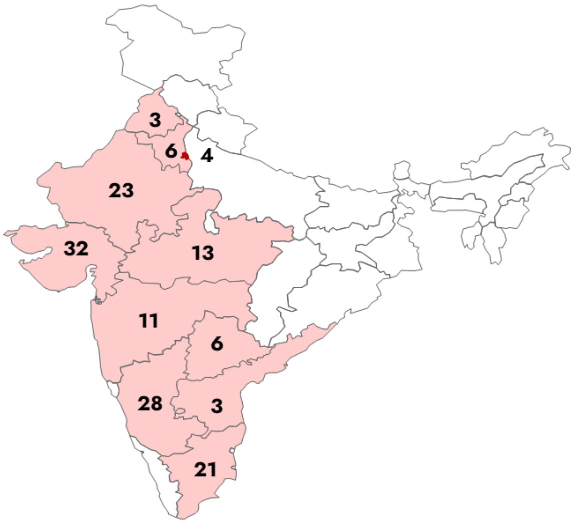
#### 1. Overview:

Ambit Finvest Private Limited (“AFPL” and “Company”) is a systemically important, non-deposit accepting NBFC registered with RBI, operating in Micro, Small and Medium Enterprise (MSME) lending space.

AFPL’s AUM as on FY23 stood at INR. 2,682 Crore (INR. 1,444 Crore as on FY22) with SME Lending AUM at INR. 2,656 Crore (INR. 1,346 Crore as on FY22). AFPL disbursed over INR 1,763+ Crore of loans with avg. ticket size of INR 11 Lacs during FY23. Our loan book as on FY23 stood at INR 2,247 Crore (INR. 1,318 Crore as on FY22) with SME Lending Loanbook at INR. 2,221 Crore (INR 1,220 Crore as on FY22).

Our employee strength also increased from 654 employees as on FY22 to 1,717 employees as on FY23. With presence across 11 states of India, AFPL expanded its branch network to 150 as on Mar-23 from 50 in Mar-22.

The Company's updated distribution of branches as on Mar-23 is as follows:




| State | Branches |
|---|---|
| Gujarat | 32 |
| Karnataka | 28 |
| Rajasthan | 23 |
| Tamil Nadu | 21 |
| Madhya Pradesh | 13 |
| Maharashtra | 11 |
| Telangana | 6 |
| Haryana | 6 |
| Delhi NCR | 4 |
| Andhra Pradesh | 3 |
| Punjab | 3 |
| **Grand Total** | **150** |

In the month of Dec, AFPL acquired leading fintech, SME Corner, to further strengthen its footprint in the SME lending space, by adopting and leveraging the technologically advanced solutions offered by the digital lender. The Company acquired the assets of SME Corner along with their 300 employees and their proprietary inhouse developed tech platform. The acquisition would also give a fillip to Ambit Finvest's partnership-based lending business and impart omni-channel sourcing capabilities.

In line with our strategy, the wholesale lending book, continued to de-grow in FY23 and Structure Finance book was INR 26 Crore at Mar-23 (INR 98 Crore as on Mar-22).
Along with strong growth, our asset quality remained robust in an extremely challenging business environment, as evinced by the Net NPA figure which stood at 1.33 %.

The Company raised INR 1,595 Crores of debt in FY23 from existing and new lenders. AFPL added fresh lending partners to our liability mix taking count of total lending relationships to 29 Banks / Financial Institutions.

AFPL's Long Term and Short-Term debt program are rated by Acuite Ratings and Research Limited as AA- (with a stable outlook) and A1+ respectively. The rating from Acuite is a standalone rating and factors comfortable capitalization profile, marquee investors, experienced management, strong business model and profitable earning history.

## 2. Financial Performance- Key Highlights:

### 2.1 AUM:

The overall AUM grew by 86% from INR 1,444 crores as on FY22 to INR 2,682 crores as on FY23. The following table summarizes the movement of AUM across Structured Finance (SF) and SME Finance:

| AUM (INR Cr.) | FY22 | FY23 | Growth % |
|---|---|---|---|
| SME Finance | 1,346 | 2,656 | 97% |
| Structured Finance | 98 | 26 | -73% |
| **Total** | 1,444 | 2,682 | **86%** |

**2.2 Asset Quality:**

The quality of our assets remained fairly robust in an extremely challenging economic environment. Our Gross NPA moved from 2.84% as on FY22 to 2.24% as on FY23 whereas our net NPA moved from 1.77% as on FY22 to 1.33% as on FY23.

**2.3 Revenue and Profitability:**

The Gross Revenue grew by 71% from INR 205 Crore in FY22 to INR 351 Crore in FY23. Net Income grew by 62 % from INR 138 Crores in FY22 to INR 223 Crore in FY23. The consolidated PAT increased from INR 26 Crore to INR 34 Crore.

**2.4 Liquidity and Gearing Profile:**

With the last equity infusion in Mar-20, the overall gearing of the Company remained at 2.55x as on Mar-23, as against 1.60x as on Mar-22.

Similarly, the Capital Adequacy Ratio (CAR) stood at 27.61% as on FY23 vis-à-vis 38.45% as on FY22. The cash and cash equivalent/liquid investments as on Mar-23 stood at INR 141 crore vis-à-vis that of INR 213 crores as on Mar-22.

**3. Digital Initiatives:**

In the previous year, our organization embarked on a series of projects as part of our digital transformation strategy, focusing on process automation and operational efficiency. We are pleased to provide you with an overview of the significant projects accomplished during that period, as well as our planned initiatives for the upcoming year. These projects are crucial in driving our continuous growth and maintaining our commitment to customer satisfaction.

Outlined below are the noteworthy projects undertaken and scheduled for the next year:

- CRM Enhancement: Our Sales Team will benefit from an enhanced CRM Salesforce system, offering a comprehensive application that allows seamless logging, document upload, and real-time loan status updates. This upgrade will lead to reduced TAT, improved customer satisfaction and operational efficiency.
- To facilitate the launch of new products and improve customer turnaround time, we plan to implement a new Core Lending Platform. This platform will significantly contribute to our operational efficiency goals.
- Launch of Ambit Finvest- Instant Loan Application, which will provide our customers with a swift and streamlined straight though processing experience.
- Expansion of Digital Footprint and Customer Service Portal: We intend to implement a Mobile First approach, accompanied by a dedicated Mobile App for Customer Service, Partner Onboarding, and Lead Capture.
- Enterprise Data Warehouse project aims to integrate various applications such as the Financial GL System and CRM, providing a single source of data for a comprehensive view of customer information and branch profitability.
- We are developing a Loan Origination System (LOS) and Loan Management System (LMS) tailored specifically for Supply Chain Finance, along with seamless integration with our partners.
- End-to-End Unsecured Workflow: Leveraging our in-house developed LOS platform, we will establish an end-to-end workflow process for unsecured loans, ensuring efficiency and accuracy with automated EMI Triangulation, multiple integrations, BRE, Scorecard, etc.

- Integration of Statistical Scorecard: To enhance our credit underwriting capabilities, we will integrate a back-tested Statistical Scorecard based on historical customer data.

These projects exemplify our dedication to advancing credit underwriting practices and optimizing our operational efficiency. We remain committed to exploring additional digital initiatives that align with our objectives.

**4. Human Resources**

People, process and culture continued to be the focus areas for FY 2022-23. People first culture always stems an idea that we are always evolving. We are committed to building an Achievement and Meritocratic culture based on values, starting with recruiting and selecting applicants who will share the organization's beliefs and thrive in that culture, developing orientation, training and performance management programs that outline and reinforce the organization's core values and ensuring that appropriate rewards and recognition go to employees who truly embody the values.
The Company has built a culture that is the key enabler for progress of our people and enriches their experience of working with us. This year was a power packed year with execution, expansion and developing our roots and growing our wings of geography Pan India.

**5. Branch Expansion**

This robust growth in the lending space has encouraged lenders likes us to set- up brick-and-mortar branches across the country. We have done aggressive branch expansion this year with advancement in our geographical reach. We have now spread our horizons from 20 branches to 150 branches/ POS establishing our national presence and serving the rural population and also creating more employment opportunities. Our Business plans linked to our branch expansion strategy with right talent in place, technology advances, lean cost structures and differentiated business models gives us a deep understanding of target customer segments to reach credit-starved segments.

- **Talent Acquisition**

With our robust branch expansion plans we have hired 1583 employees in FY 22-23 including the on-boarding of 300 people from the new acquistion. Acquiring the right talent is the most important key to our growth and the assessment from business and HR team is to check the culture and team fit; go for hard and soft skills together.

- **Talent Management**

Hiring Right Talent, Managing people expectations, more satisfied and engaged employees has helped up to capitalize on our employees, the focus is not transactional but being strategic and transformational.

**6. Culture of Learning:**

We have a strong emphasis on encouraging each Ambitian to understand its values, practices, beliefs, symbols, systems, skill sets, and conventions with continuous learning.

Continuous learning helps employee to learn precise skills and knowledge to improve performance. Training need identification, devising a training calendar which is more role and employee specific, it not only focuses on employees in learning new skills, but also has helped us making them realize their true potential and prepare them as future managers. We have done 20+ promotions/ role changes in this year to meet our business objectives.

**7. Reward & Recognition**

We acknowledge the need to be considerate and appreciative of hard work put in by employees. We have two encouraging reward & recognition programs “Ace” for functional performance and “Prashansa” for taking the extra mile and going over and above your KRA.

## 8. Employee Engagement

Capitalizing on the presence of regional HR team across and widespread of our geography, Employee engagement this year will certainly have bigger impact on our business objectives and outcomes as employees at POS location, rural location will have to be more connected with the management to drive emotional commitment to the organization.

Culture being the key enabler to drive trust, regular communication, flexibility and job satisfaction for impactful employee engagement.

Employee engagement initiatives are being implemented at different touch points on a regular intervals.

- **New Joinee Connect**

It is the process of integrating a new employee within the culture and its eco system, 3 calls are done to each new joiner staggered over 3 months with a pre- defined questionnaire to help them settle and provide them the tools and information needed to become a productive member of the team and do mid way course correction if any.

- **Pulse Check**

Quarterly branch connects with each branch manager who are the CEO's of their respective branches to help get insights about employees, first hand information about challenges, hindrances and support required. Regular branch connects act as a bridge between branch and management.

- **Regional Town halls**

Half Yearly regional meet are being organized in person with entire leadership team of sales and line function with the core management team.

- **We Connect**

It has helped us to build trust and boosts engagement. Employees are being nominated to directly interact with CEO / Deputy CEO every month for focus group discussion. Employees operating from remote locations have established stronger working relationships.

- **Ideapreneur**

Employees are encouraged to get something new to the table, Ideas which are implanted and have some tangible benefits are rewarded and recognised. It has empowered employees that they have a voice and are being heard.

- **Festival Celebrations**

We are one family and we grab every opportunity to celebrate all festival with our employees from Republic day, Holi, Diwali, Nau din Nau rang, Christmas Carnival with Kids. Dec 2022 Christmas was all about celebrating and experiencing the joy with (employee's) little ones.

## 9. SWOT Analysis:

**Strengths:**

- Strong Governance – Board of Directors comprising eminent professionals across broad array of disciplines
- Strong Management team with superior understanding of mid-market segment and a strong network
- Strong internal controls systems and processes
- Backed by marquee investors and promoters
- Quick response time along with strong risk mitigation framework
- Ability to leverage on the capabilities/expertise of various business units of Ambit Group

**Weaknesses:**

- Due to substantial growth in SME Lending Book, the seasoning of the overall portfolio is relatively low (although backed by strong asset quality parameters)

**Opportunities:**

- Well capitalized balance sheet with substantial growth capital
- Strong gearing profile, good asset quality parameters, and a strong credit rating – favorably positioned to tap credit markets

**Threats:**

- Uncertainty associated with the depth of pandemic led economic crisis which may impact credit quality
- As inflationary pressure increases, the Cost of Borrowing will likely see an uptick

**10. Roadmap for the current Financial Year:**

Our strong balance sheet, liquidity profile, and robust business model puts us in an advantageous position as compared to many of our peers, enabling us to take meaningful strides in our growth journey.

In the upcoming fiscal year, our strategic focus revolves around consolidating and capitalizing on the substantial investments made in branch expansion, growth in the employee base, and enhancing technology capabilities. All the strategic tech projects initiated in the previous year will bear fruit through increased automation and operational efficiency. While the majority of our expansion efforts were concentrated in tier 3 and 4 locations, in order to extend our reach into rural and underserved areas, thereby not only increasing origination yields but also promoting financial inclusion.

We also aim to up-scale our Co-lending arrangements and partnerships further with the addition of more partners in the current year.

On the liability side, our key focus area for this year will be diversifying our liability mix both through the addition of new lenders as well as explore alternate liability channels such as Direct Assignment (DA), Commercial Papers, NCDs etc.

With consolidation, tech advancement, and strategic expansion at the forefront of our plans, we are poised to strengthen our industry leadership, deliver exceptional experiences, and generate sustainable value for all stakeholders.

**Key risks and controls:**

AFPL is engaged in lending business and is exposed to the following key risks:

1. **Credit Risk:**
   This is the risk associated of recovery of capital from counterparty. The Company has a robust credit risk framework in place which includes sectoral guardrails, strong policy and compliance framework, comprehensive due-diligence and risk assessment process, prudent approval process, robust monitoring process and strong governance to mitigate the risk.

2. **Market Risk:**
   This is the risk associated with adverse market movements. The Company has robust monitoring process to track key market parameters to contain interest rate risk, concentration risk and risk associated with asset liability mismatch through internal risk models which is reviewed by the relevant committee from time to time to take appropriate actions.

3. **Operational Risk:**
   This is the risk associated with inadequate processes and internal controls. The Company has robust processes and strong compliance framework in place to mitigate the same. Our audit and compliance team periodically monitor the adequacy of processes, ensure adherence to the same and strengthen the internal controls.

4. **Liquidity Risk:**
   The Company has adopted a cautious approach towards liquidity management. We maintain adequate liquidity to meet any unforeseen event. In addition, we adhere to strict internal guidelines to appropriately manage Asset Liability Mismatch (ALM) and remain compliant with the regulatory requirements.

5. **Business/Strategic Risk:**
   These are risks that affect or are created by business strategy and strategic objectives. The Company's management of this risk is guided by diversification in its business through a balanced growth across various products and geographies in line with the board approved Risk framework.

6. **Compliance Risk:**
   This is the risk which could expose the Company to legal penalties and losses when it fails to act in accordance to the laws and regulations and best practices The Compliance Team works with Sales, Operations and Credit to ensure that compliance.

7. **Technology Risk:**
   The Core Lending Platform is implemented on the AWS Platform allowing scalability for Peak Load and High availability. Disaster Recovery is also implemented on AWS Cloud Platform to ensure BCP for the critical application is in place. The application is accessible on the Internet 24 X7.All the Cyber Security and Role based Access Controls have been implemented.

8. **Reputation Risk:**
   This risk arises from ineffective management of other risks resulting from poor governance and control failures. The company has a strict code of conduct for its employees, an approved corporate governance framework and a customer grievance mechanism in place.

The company has also put up a Whistle Blower policy. It also has put in place a Risk Control Unit that both works on preventing and investigating frauds and periodic reports are tabled to the senior management and the Board committees. The Company has also adopted ICAAP framework which also takes into account all the above mentioned risks in proper Capital planning of the Organisation.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF**
**AMBIT FINVEST PRIVATE LIMITED**

| | |
|---|---|
| **SD/-** | **SD/-** |
| **Sanjay Sakhuja** | **Sanjay Dhoka** |
| Whole Time Director and Executive Chairman | Whole Time Director and COO & CFO |
| DIN: 00004370 | DIN: 00450023 |

**Place:** Mumbai
**Date:** May 26, 2023

## ANNEXURE V

## DISCLOSURES ON EMPLOYEE STOCK OPTION SCHEME FOR THE YEAR ENDED MARCH 31, 2023

**Name of scheme: Ambit Finvest Employee Stock Option Scheme 2018**

<table>
<tr><td>Nature of Disclosures</td><td colspan="2">Particulars</td></tr>
<tr><td>Options Granted</td><td colspan="2">5,93,500</td></tr>
<tr><td>Options vested</td><td colspan="2">53,332</td></tr>
<tr><td>Options exercised</td><td colspan="2">5,000</td></tr>
<tr><td>The total no of shares arising as a result of exercise of option</td><td colspan="2">5,000</td></tr>
<tr><td>Options lapsed</td><td colspan="2">75,000</td></tr>
<tr><td>Exercise price</td><td colspan="2">FY19 & FY20 - Rs. 306<br>FY22 - Rs.530, FY23 – Rs. 531</td></tr>
<tr><td>Variation of terms of Option</td><td colspan="2">Nil</td></tr>
<tr><td>Money realized by exercise of Options</td><td colspan="2">Rs.15,30,000/-</td></tr>
<tr><td>Total no of Options in force</td><td colspan="2">5,13,500</td></tr>
<tr><td>Employee wise details of options granted:<br>KMP<br>any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year</td><td colspan="2"></td></tr>
<tr><td rowspan="33"></td><td>FY 2022-23:</td><td></td></tr>
<tr><td>Name of employee</td><td>Options Granted</td></tr>
<tr><td>Sharad Garg</td><td>5000</td></tr>
<tr><td>Bharat Deepak Rohra</td><td>5000</td></tr>
<tr><td>Vikram Manwani</td><td>5000</td></tr>
<tr><td>Abhijeet Kumar Singh</td><td>5000</td></tr>
<tr><td>Rambabu P</td><td>5000</td></tr>
<tr><td>Faiz Siddiqui</td><td>5000</td></tr>
<tr><td>Sanket Dhaybar</td><td>5000</td></tr>
<tr><td>Prateek Garg</td><td>20000</td></tr>
<tr><td>Premankur Jana</td><td>10000</td></tr>
<tr><td>Saurabh Arora</td><td>5000</td></tr>
<tr><td>Manas Joshi</td><td>20000</td></tr>
<tr><td>Hitesh Kulkarni</td><td>5000</td></tr>
<tr><td>Vaseem Khan</td><td>5000</td></tr>
<tr><td>Hemant Patel</td><td>2500</td></tr>
<tr><td>Anshu Singh</td><td>5000</td></tr>
<tr><td>S Palani</td><td>5000</td></tr>
<tr><td>Naina Verma</td><td>2500</td></tr>
<tr><td>Kaushik Khanna</td><td>60000</td></tr>
<tr><td>Vidyabhushan Tiwari</td><td>5000</td></tr>
<tr><td>Saurabh Gattani</td><td>5000</td></tr>
<tr><td>Vikas Tibrewal</td><td>2500</td></tr>
<tr><td></td><td></td></tr>
<tr><td>FY 2021-22:</td><td></td></tr>
<tr><td>Name of employee</td><td>Options Granted</td></tr>
<tr><td>Balachendil. P</td><td>5,000</td></tr>
<tr><td>Prateek Garg</td><td>5,000</td></tr>
<tr><td>Premankur Jana</td><td>5,000</td></tr>
<tr><td>Vaseem Khan</td><td>5,000</td></tr>
<tr><td>Subramaniam Iyer</td><td>11,000</td></tr>
</table>

| | | |
|---|---|---|
| | Faiz Siddiqui | 2,500 |
| | Sanket Dhaybar | 2,500 |
| | Anshu Singh | 2,500 |
| | Nuzhat Mulla | 2,500 |
| | Rambabu P | 2,500 |
| | Abhijeet Kumar Singh | 7,500 |
| | Sanjay Agarwal | 145,000 |
| | Smitesh Shah | 50,000 |
| | Naina Verma | 5,000 |
| | | |
| | **FY 2019-20:** | |
| | **Name of employee** | **Options granted** |
| | Sanjay Trivedi* | 10,000 |
| | Sameer Shimaria | 25,000 |
| | Balachendil P. | 10,000 |
| | Deepak Shah | 10,000 |
| | Manoj Singh | 10,000 |
| | Shiv Shankar Chatterjee | 10,000 |
| | Hemant Patel | 10,000 |
| | *lapsed during FY 1920 | |
| | | |
| | **FY 2018-19:** | |
| | Vikram Manwani | 10,000 |
| | Sharad Garg | 15,000 |
| | Saurabh Paul | 15,000 |
| | Sanjay Trivedi* | 10,000 |
| | Saurabh Arora | 5,000 |
| | Balachendil P. | 5,000 |
| | Deepak Shah | 10,000 |
| | *lapsed during FY 1920 | |
| identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant | - | |

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**AMBIT FINVEST PRIVATE LIMITED**

**SD/-**
**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370

**SD/-**
**Sanjay Dhoka**
Whole Time Director and COO & CFO
DIN: 00450023

**Place:** Mumbai
**Date:** May 26, 2023

## ANNEXURE VI

**Disclosure in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

| Sr. No. | Particulars | Remarks |
|---|---|---|
| 1. | The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year | • Sanjay Sakhuja – 102.18<br>• Sanjay Dhoka – 90.83<br>• Sanjay Agarwal – 147.10<br>• Vikrant Narang – 114.00 |
| 2. | Percentage increase/decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | • Sanjay Sakhuja – (39.56%)<br>• Sanjay Dhoka – (45.60%)<br>• Sanjay Agarwal – (5.03%)<br>• Vikrant Narang – (2.57%)<br>• Reena Sharda – (66.90%)<br>• Neha Gandhi – NA (Appointed in mid of the year) |
| 3. | Percentage increase in the median remuneration of employees in the financial year | (39.94%) |
| 4. | The number of permanent employees on the rolls of company | 1,719 (Active Employee Count as of 31st Mar-23) |
| 5. | Median Remuneration of employees of the Company | 187,798 |
| 6. | Percentage Increase in the median remuneration of employees during the financial year | (39.94%) |
| 7. | Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Average Percentage increase in salaries of:<br>• Employees other than the managerial personnel 10.70%<br>• Managerial Personnel (31.93%) |
| 8. | Affirmation that the remuneration is as per the remuneration policy of the company | It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors and Employees adopted by the Company |
| 9. | Names of the top ten employees in terms of remuneration drawn and the name of every employee, who-<br>• if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;<br>• if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees **per month**<br>• if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company | 1. Sanjay Sakhuja<br>2. Sanjay Agarwal<br>3. Vikrant Narang<br>4. Sanjay Dhoka |

**Annexure VII**
**Secretarial Audit Report**
Form No. MR-3
For the Financial year ended 31 March 2023
*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
**Ambit Finvest Private Limited**

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

Based on my verification of the Ambit Finvest Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (To the extent applicable)
(iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (To the extent applicable);
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not relevant / applicable to the Company)
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (to the extent applicable to the Company)
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not relevant / applicable to the Company)
(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not relevant / applicable to the Company)
(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (to the extent applicable to the Company)
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not relevant / applicable to the Company)
(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (Not relevant / applicable to the Company)
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (to the extent applicable to the Company)

(vi) The following laws are specifically applicable to the Company in addition to laws mentioned above
(i) Reserve Bank of India Act, 1934 to the extent applicability of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
(ii) Revised regulatory framework for Scale Based Regulation for Non-Banking Financial Companies vide RBI circular No. DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021.

I have also examined compliance with the applicable clauses to the following:
(iii) Secretarial Standards issued by The Institute of Company Secretaries of India;
(iv) The Listing Agreement entered into by the Company with BSE Limited in respect of its Debt Securities in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, however pursuant to Regulation 6(1) of The Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 for appointment of qualified company secretary as compliance officer of the Company, Ms. Reena Sharda had resigned as Company Secretary and Compliance Officer effective 8 August 2022 and the Company has appointed Ms. Neha Gandhi as the Company Secretary of the Company effective 8 August 2022. The function of the Compliance Officer was being overseen by Ms. Neha Gandhi (ACS55410), Company Secretary along with Mr. Sanjay Dhoka, Whole time Director, CFO and COO till the time the Company appointed Ms. Meenal Talesara (ACS 22658), qualified Company Secretary as the Compliance Officer of the Company effective 11 November 2022.

**I further report that**, the Board of Directors of the Company is constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance or in compliance with the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**I further report that** during the period under review, there were following major actions which have been done in compliance with applicable statutory provisions;

1. The consent of members was obtained at the Annual General meeting of the Company held on 10 June 2022 for issuance of Rated, Listed, Secured, Redeemable, Principal Protected, Market Linked Non- Convertible Debentures (“Market Linked Non-Convertible Debentures”) on a private placement basis up to the aggregate amount of INR 4,00,00,00,000 (Indian Rupees Four Hundred Crore) ("Non-Convertible Debentures" or "Debentures") in one or more tranches/issues ("Tranches/Issues").
2. The consent of members was obtained at the Extra-Ordinary General meeting of the Company held on 17 August 2022 for the increase in the ESOP Pool of Ambit Finvest Employee Stock Option Scheme, 2018 (“ESOP Scheme”) by 6,00,000 options from existing 5,00,000 options to 11,00,000.

3. The consent of members was obtained at the Extra-Ordinary General meeting of the Company held on 13 February 2023 for alteration of Memorandum of Association of the Company by inserting new clause under the Main Object of the Company.
4. The BSE vide its email dated 31 October 2022 imposed a fine of Rs.10,000 for Non-Submission of information related to payment obligation under Regulation 57(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") for the month of September 2022. The Company has filed clarification to BSE on 1 November 2022 stating that there was no non-compliance u/r 57(1) of SEBI LODR as the Company has submitted requisite disclosure within the due date and requested for waiver of the fine imposed by BSE.

**For D. M. Zaveri & Co**
**Company Secretaries**

**SD/-**

**Dharmesh Zaveri**
**(Proprietor)**

**FCS No.: 5418**
**CP No.: 4363**

**Place: Mumbai**
**Date: 26 May 2023**

**ICSI UDIN: F005418E000346572**
**Peer Review Certificate No.: 1187/2021**

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

**Annexure A**

To,
The Members,
**Ambit Finvest Private Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D. M. Zaveri & Co**
**Company Secretaries**

**SD/-**
**Dharmesh Zaveri**
**(Proprietor)**
**FCS. No.: 5418**
**CP No.: 4363**
**Place: Mumbai**
**Date: 26 May 2023**

**Independent Auditor's Report**

**To the Members of Ambit Finvest Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone financial statements of Ambit Finvest Private Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matter**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment of loans and advances to customers<br>(Refer Note 2 for significant accounting policies and Note 51 for credit risk disclosures)</td></tr>
<tr><td>As at 31 March 2023, the Company has reported gross loan assets of ₹ 2,27,962 lakhs against which an impairment loss of ₹ 4,561 lakhs has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss (“ECL”) approach laid down under ‘Ind AS 109 – Financial Instruments’.<br><br>The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to:<br><br>➢ ensuring completeness and accuracy of the data used to create assumption in the model.<br>➢ determining the criteria for a significant increase in credit risk.<br>➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.<br><br>These parameters are derived from the Company’s internally developed statistical models and other historical data.<br><br>During the previous years, RBI announced various relief measures for the borrowers which were implemented by the Company such as “COVID 19 Regulatory Package- Asset Classification and Provisioning” announced by the RBI on 17 April 2020 and RBI circular on “Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package” dated 07 April 2021 (collectively referred to as ‘the RBI circulars’), and “Resolution Framework for COVID-19 related Stress” (the ‘Resolution Framework’) dated on</td><td>Our audit focused on assessing the appropriateness of management’s judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:<br>• Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions;<br><br>• Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109;<br><br>• Understanding management’s systems and controls implemented in relation to impairment allowance process.<br><br>• Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays;<br><br>• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets.;</td></tr>
</table>

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.<br><br>On the basis of an estimate made by the management, an overlay to the tune of ₹ 547 lakhs has been carried by the Company as at 31 March 2023 on loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the economy.<br><br>**Disclosure**<br>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus.<br><br>Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter. | • Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);<br><br>• Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others;<br><br>• Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data;<br><br>• Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable;<br><br>• Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 51 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework. |

**Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Management and the Board of Directors are 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

**Information other than the Financial Statements and Auditor's Report thereon** ***(Continued)***

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Board of Director's Responsibilities for the Standalone Financial Statements**

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

8. In preparing the standalone financial statements, the Board of Directors and Management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

10. 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 Standards on Auditing 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.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)***

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and the Board of Directors;

    - Conclude on the appropriateness of Board of Directors and 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; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

12. 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.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements** ***(Continued)***

13. 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.

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

**Report on Other Legal and Regulatory Requirements**

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. 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 the Annexure I the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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 financial statements dealt with by this report are in agreement with the books of account;

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

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

f) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

**Report on Other Legal and Regulatory Requirements *(Continued)***

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

i. The Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

ii. The Company, as detailed in note 54 (x) to the standalone financial statements, has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 19A to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the 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, as disclosed in note 19A, to the standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The company has not declared any dividend during the year ended 31 March 2023 Accordingly, the provision of section 123 of the Act is not applicable; and

**Report on Other Legal and Regulatory Requirements *(Continued)***

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **M M Nissim & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107122W/W100672

**Sd/-**
**Sanjay Khemani**
*Partner*
Membership No. 044577
UDIN: 23044577BGUVMZ4626

**Mumbai**
**26 May 2023**

**Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the standalone financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

b. As per information and explanation given to us and as verified by us, the property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

c. The Company does not own any immovable property. In case of the properties where Company is the lessee the lease agreements are duly executed in favour of the Company.

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

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

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

b. The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and as per the information and explanations given to us and as verified by us, such returns/statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

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

b. The investments made and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest. Company has not provided any guarantee and also not given security to any party.

c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

**Outstanding as on 31 March 2023 for Overdue loans**

| Particulars – Days past due | Total amount outstanding (in lakhs) | No. of cases |
|---|---:|---:|
| **1-30 days** | 5,865.46 | 1,187 |
| **31-60 days** | 4,001.22 | 818 |
| **61-90 days** | 1,706.42 | 480 |
| **More than 90 days** | 4,826.28 | 1,015 |
| **Total** | **16,399.38** | **3,500** |

d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 4,826.28 lakhs as at 31 March 2023 in respect of 1,015 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

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

f. The Company has not granted loans or advances in the nature of loans which are repayable on demand (except for the short-term loan) or without specifying any terms or period of repayment. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

**Annexure I to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the standalone financial statements for the year ended 31 March 2023**

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

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

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹ in lakhs) | Amount paid Under Protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act | Income Tax | 7.02 | - | Assessment year 2015-16 | Commissioner – Appeals |
| Income Tax Act | Income Tax | 3.75 | - | Assessment year 2018-19 | Commissioner – Appeals |

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

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

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

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

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

e. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures. Accordingly, Clause 3(x)(b) of the order is not applicable.

xi. a. To the best of our knowledge according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for misappropriation of assets of the Company by the customers of the Company identified by the management during the year, involving amounts aggregating to Rs. 88.90 lakhs as mentioned in Note 54 (xxviii) of the accompanying financial statements. The Company has initiated necessary action against the customers connected to such instances.

b. According to the information and explanations given to us and as verified by us, no report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

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

**Annexure I to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the standalone financial statements for the year ended 31 March 2023**

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

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

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

b. We have considered the reports issued by the Internal Auditors till 31 December 2022. We were unable to obtain the Internal auditors report for the quarter ended 31 March 2023 on timely basis, hence we were unable to consider that in our audit.

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

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

b. During the year, the Company has not conducted any Non Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

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

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.

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

**Annexure I to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the standalone financial statements for the year ended 31 March 2023**

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

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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. Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

For **M M Nissim & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107122W/W100672

**Sd/-**
**Sanjay Khemani**
*Partner*
Membership No. 044577
UDIN: 23044577BGUVMZ4626

**Mumbai**
**May 26, 2023**

**Annexure II to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the standalone financial statements for the year ended 31 March 2023**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirement's section of our report of even date)**

1. In conjunction with our audit of the standalone financial statements of **Ambit Finvest Private Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

**Board of Director's Responsibilities for Internal Financial Controls**

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial 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 ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

**Annexure II to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the financial statements for the year ended 31 March 2023**

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements *(Continued)***

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

5. 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 financial statements.

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Annexure II to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the financial statements for the year ended 31 March 2023**

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **M M Nissim & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107122W/W100672

**Sd/-**
**Sanjay Khemani**
*Partner*
Membership No. 044577
UDIN: 23044577BGUVMZ4626

Mumbai
26 May 2023

**AMBIT FINVEST PRIVATE LIMITED**

**Standalone Balance Sheet as at 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | Notes | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial Assets** | | | |
| (a) Cash and cash equivalents | 4 | **5,900.73** | 9,937.37 |
| (b) Bank balance other than cash and cash equivalents | 5 | **6,063.71** | 5,387.81 |
| (c) Receivables | | | |
| Trade Receivables | 6 | **496.92** | - |
| (d) Loans | 7 | **2,23,400.56** | 1,30,028.47 |
| (e) Investments | 8 | **12,149.07** | 27,115.17 |
| (f) Other financial assets | 9 | **5,394.57** | 1,733.60 |
| | | **2,53,405.56** | 1,74,202.42 |
| **Non-financial Assets** | | | |
| (a) Current tax assets (net) | 10(a) | **1,975.87** | 683.11 |
| (b) Deferred tax assets (net) | 49 | **218.54** | 528.15 |
| (c) Property, Plant and Equipment | 11 | **951.52** | 561.96 |
| (d) Goodwill | 12 | **4,736.96** | 2,436.68 |
| (e) Other Intangible assets | 13 | **662.83** | 167.04 |
| (f) Intangible Assest under Development | 13(a) | **63.79** | - |
| (g) Right of use asset | 14 | **2,440.03** | 1,601.51 |
| (h) Other non-financial assets | 15 | **1,250.68** | **1,172.33** |
| | | **12,300.22** | 7,150.78 |
| **TOTAL ASSETS** | | **2,65,705.78** | 1,81,353.20 |
| | | | |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **Financial Liabilities** | | | |
| (a) Derivative Financials Instruments | 16 | **89.21** | - |
| (b) Trade payables | 17 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | **51.30** | 99.44 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | **3,793.21** | 2,697.52 |
| (c) Debt securities | 18 | **29,951.62** | 17,024.54 |
| (d) Borrowings (other than debt securities) | 19 | **1,49,190.90** | 89,100.80 |
| (e) Lease liabilities | 14 | **2,559.15** | 1,704.43 |
| (f) Other financial liabilities | 20 | **8,844.76** | 3,222.69 |
| | | **1,94,480.15** | 1,13,849.42 |
| **Non-financial Liabilities** | | | |
| (a) Current tax liabilities (net) | 10(b) | **59.33** | 73.67 |
| (b) Provisions | 21 | **294.60** | 264.93 |
| (c) Other non-financial liabilities | 22 | **568.58** | 363.18 |
| | | **922.51** | 701.78 |
| **TOTAL LIABILITIES** | | **1,95,402.66** | 1,14,551.20 |
| | | | |
| **EQUITY** | | | |
| (a) Equity share capital | 23 | **1,809.72** | 1,809.39 |
| (b) Other equity | 24 | **68,493.40** | 64,992.61 |
| **TOTAL EQUITY** | | **70,303.12** | 66,802.00 |
| **TOTAL LIABILITIES AND EQUITY** | | **2,65,705.78** | 1,81,353.20 |
| See accompanying notes forming part of the standalone financial statements | 1 - 67 | | |

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

**SD/-**
**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**SD/-**
**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

**SD/-**
**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

**SD/-**
**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

**AMBIT FINVEST PRIVATE LIMITED**
**Statement of Standalone Profit and Loss for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | Notes | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 25 | **28,980.15** | 18,514.68 |
| Net gain on fair value changes | 26 | **662.40** | 394.22 |
| Net gain/(Loss) on derecognition of financial instruments under amortized cost category | 27 | **3,540.82** | 1,089.44 |
| Fees and commission Income | 28 | **850.08** | 303.88 |
| **Total revenue from operations** | | **34,033.45** | 20,302.22 |
| | | | |
| Other income | 29 | **921.64** | 136.88 |
| **Total income** | | **34,955.09** | 20,439.10 |
| | | | |
| **Expenses** | | | |
| Finance costs | 30 | **12,738.53** | 6,626.25 |
| Net loss on fair value changes | 31 | **89.21** | - |
| Impairment of financial assets | 32 | **2,892.30** | 750.99 |
| Employee benefits expense | 33 | **10,015.22** | 6,558.85 |
| Depreciation, amortization and impairment | 34 | **1,058.36** | 726.06 |
| Other expenses | 35 | **4,574.75** | 2,337.84 |
| | | **31,368.37** | 16,999.99 |
| | | | |
| **Profit before tax** | | **3,586.72** | 3,439.11 |
| | | | |
| **Tax Expense:** | | | |
| - Current tax | | **-** | |
| for the current year | 48 | **(22.44)** | 500.29 |
| (Excess)/short provision in respect of earlier years | | **-** | - |
| | | **(22.44)** | 500.29 |
| - Deferred tax credit | 50 | **301.84** | 360.60 |
| | | **279.40** | 860.89 |
| | | | |
| **Profit for the year** | | **3,307.32** | 2,578.22 |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the defined benefit plans | | **30.84** | (14.32) |
| Income tax on above | | **(7.76)** | 3.60 |
| **Total other comprehensive income** | | **23.08** | (10.72) |
| | | | |
| **Total comprehensive income for the year** | | **3,330.40** | 2,567.50 |
| | | | |
| Earnings per equity share | 40 | | |
| (Nominal value of equity share ₹10 per share) | | | |
| - Basic (₹) | | **18.28** | **14.25** |
| - Diluted (₹) | | **18.24** | **14.21** |
| See accompanying notes forming part of the standalone financial statements | 1 - 67 | | |

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

**SD/-**
**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**SD/-**
**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

**SD/-**
**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

**SD/-**
**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

**AMBIT FINVEST PRIVATE LIMITED**

**Standalone Cash flow statement for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| Particulars | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| | | | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **3,586.72** | 3,439.11 |
| Adjustments for: | | | |
| Depreciation, amortization and impairment | | **1,058.36** | 726.06 |
| Impairment on financial instruments | | **2,947.79** | 744.73 |
| Impairment on financial instruments_deposits | | **(8.79)** | |
| Impairment on financial instruments_investments | | **(46.70)** | - |
| Interest income on deposits with banks | | **(714.09)** | (368.71) |
| Interest income on Investments | | **(2,226.72)** | (1,441.73) |
| Interest income on Loans | | **(25,851.69)** | (16,707.24) |
| Finance Cost | | **11,906.74** | 6,307.22 |
| Finance Cost on lease liabilities | | **186.18** | 131.97 |
| Employee stock option compensation cost | | **160.52** | 97.09 |
| Loss on write off of fixed assets | | **17.46** | 1.77 |
| Unwinding of discount on security deposit | | **(33.10)** | (18.10) |
| Profit on Redemption of Debentures | | **(544.93)** | (366.71) |
| Profit on Sale of Investment property | | **-** | (30.56) |
| Profit from redemption of investments in mutual funds | | **(117.47)** | (24.51) |
| | | | |
| Interest received | | **24,864.38** | 16,281.10 |
| Interest paid | | **(12,888.38)** | (4,927.23) |
| | | | |
| **Operating profit before working capital changes** | | **2,296.28** | **3,844.26** |
| | | | |
| Changes in working capital: | | | |
| Adjustments for (increase)/decrease in operating assets: | | | |
| Trade receivables | | **(496.92)** | - |
| Loans | | **(94,618.48)** | (33,944.76) |
| Other financial assets | | **(3,695.58)** | (1,454.97) |
| Other non-financial assets | | **(333.04)** | (415.36) |
| Adjustments for increase/(decrease) in operating liabilities: | | | |
| Trade payables | | **1,047.55** | 1,356.26 |
| Derivative Financials Instruments | | **89.21** | - |
| Other financial liabilities | | **5,622.07** | 1,685.31 |
| Other non-financial liabilities | | **205.40** | 257.83 |
| Provision for employee benefits | | **60.51** | 89.30 |
| **Cash used in operations** | | **(89,823.01)** | (28,582.13) |
| Direct tax paid (net) | | **(1,284.66)** | (1,181.82) |
| **Net cash used in operating activities** | **(A)** | **(91,107.67)** | (29,763.95) |
| | | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | **(417.13)** | (540.46) |
| Purchase of other intangible assets | | **(3,043.69)** | (172.72) |
| Purchase of investments | | **(77,930.28)** | (65,562.46) |
| Proceeds from sale of investments | | **95,714.74** | 49,160.96 |
| (Purchase)/Sale of mutual funds | | **117.47** | 24.51 |
| Purchase of investments in subsidiary | | **-** | (2,051.00) |
| (Purchase)/Sale of investments property | | **-** | 362.35 |
| Change in Fixed deposits not considered as cash and cash equivalent | | **(676.17)** | (1,171.88) |
| **Net cash used in investing activities** | **(B)** | **13,764.95** | (19,950.70) |

AMBIT FINVEST PRIVATE LIMITED

**Standalone Cash flow statement for the year ended 31st March, 2023**

(Amounts in ₹ lakhs)

| Particulars | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of equity shares | | **10.20** | 5.10 |
| Proceeds from borrowings (other than debt securities) | | **1,01,124.56** | 73,907.89 |
| Repayment of borrowings (other than debt securities) | | **(41,215.84)** | (22,772.92) |
| Proceeds from debt securities | | **28,816.83** | 3,000.00 |
| Repayment of Lease Liabilities-Principal | | **(525.85)** | (411.16) |
| Repayment of Lease Liabilities-Interest | | **(186.18)** | (131.97) |
| Repayment of debt securities | | **(14,726.75)** | - |
| **Net cash generated from financing activities** | **(C)** | **73,296.97** | 53,596.94 |
| | | | |
| **Net increase /(decrease) in cash and cash equivalents** | **(A+B+C)** | **(4,045.75)** | 3,882.29 |
| | | | |
| **Cash and cash equivalents at the commencement of the year** | | **9,946.56** | 6,064.27 |
| | | | |
| **Cash and cash equivalents at the end of the year** | | **5,900.81** | 9,946.56 |
| | | | |
| **Reconciliation of cash and cash equivalents with the Balance Sheet** | | | |
| Cash and cash equivalents as per the balance sheet | | **5,900.73** | 9,937.37 |
| Add: Impairment loss allowances | | **0.07** | 9.19 |
| Cash and cash equivalents as per the cash flow statement* | | **5,900.81** | **9,946.56** |
| ***comprises:** | | | |
| Cash on hand | | **44.45** | 21.43 |
| Balances with banks | | | |
| - In current accounts | | **5,570.91** | 2,416.36 |
| - In deposit account with original maturity of three months or less | | **285.45** | 7,508.77 |
| | | **5,900.81** | **9,946.56** |

See accompanying notes forming part of the standalone financial statements

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

SD/-
**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

SD/-
**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

SD/-
**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

SD/-
**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

**AMBIT FINVEST PRIVATE LIMITED**

**Standalone Statement of Changes in Equity for the year ended 31st March, 2023**

**Equity Share Capital**

*(Amounts in ₹ lakhs)*

| Particulars | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Balance at the beginning of the year | **1,809.39** | 1,809.22 |
| Changes in equity share capital during the year (see note 23) | **0.33** | 0.17 |
| Balance at the end of the year | **1,809.72** | 1,809.39 |

**Other equity**

*(Amounts in ₹ lakhs)*

| | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Statutory Reserve | Securities premium | Share options outstanding account | Retained Earnings | |
| **Balance as at 1st April, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,801.67** | **64,992.61** |
| **Changes in accounting policy/prior period errors** | **-** | **-** | **-** | **-** | **-** |
| **Restated balance as at 1st April, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,801.67** | **64,992.61** |
| **Profit for the year** | **-** | **-** | **-** | **3,307.32** | **3,307.32** |
| **Other comprehensive income for the year net of income tax *** | **-** | **-** | **-** | **23.08** | **23.08** |
| **Exercise of employee stock options** | **-** | **12.12** | **-** | **-** | **12.12** |
| **Arising out of issue of equity shares during the year under the Employee Stock Option Schemes** | **-** | **-** | **(2.25)** | **-** | **(2.25)** |
| **Transfer from retained earnings to statutory reserve** | **661.46** | **-** | **-** | **(661.46)** | **-** |
| **Compensation cost** | **-** | **-** | **160.52** | **-** | **160.52** |
| **Balance as at 31st March, 2023** | **3,459.56** | **51,245.79** | **317.44** | **13,470.61** | **68,493.40** |
| **Balance as at 1st April, 2021** | 2,282.46 | 51,227.93 | 62.88 | 8,749.81 | 62,323.08 |
| Changes in accounting policy/prior period errors | - | - | - | - | - |
| **Reststated balance as at 1st April, 2021** | 2,282.46 | 51,227.93 | 62.88 | 8,749.81 | 62,323.08 |
| Profit for the year | - | - | - | 2,578.22 | 2,578.22 |
| Other comprehensive income for the year net of income tax * | - | - | - | (10.72) | (10.72) |
| Transfer from retained earnings to statutory reserve | 515.64 | - | - | (515.64) | - |
| Exercise of employee stock options | - | 5.74 | - | - | 5.74 |
| Arising out of issue of equity shares during the year under the Employee Stock Option Schemes | - | - | (0.80) | - | (0.80) |
| Compensation cost | - | - | 97.09 | - | 97.09 |
| | | | | | |
| **Balance as at 31st March, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,801.67** | **64,992.61** |

** Represents remeasurements of the defined benefit plans*

See accompanying notes forming part of the standalone financial statements

**In terms of our report attached**

**For M M Nissim & Co LLP**
Chartered Accountants

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

SD/-
**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

SD/-
**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

SD/-
**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

SD/-
**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

## 1. Background

Ambit Finvest Private Limited ("the Company") is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). The Company is Systemically Important Non-deposit accepting NBFC as defined under Section 45-IA of the Reserve Bank of India Act, 1934 with effect from 1st September, 2018. The Company was incorporated in India as a private company on 24th July, 2006 under the Companies Act, 2013. The Company is principally engaged in lending activities. The Company's registered office is at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

## 2. Basis of preparation

### 2.01 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company has been prepared financials in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
The standalone financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).
The standalone financial statements have been prepared on accrual and going concern basis.

The standalone financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

### 2.02 Functional and Presentation Currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs with two decimals, except when otherwise stated.

### 2.03 Use of estimates and judgments

The preparation of the standalone financial statements, in conformity with the generally accepted accounting principles, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable. The actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgment, estimates and assumptions are required in particular for:

i. Determination of estimated useful lives of property, plant, equipment [see note 3.03 (iii)]
ii. Determination of estimated useful lives of intangible assets [see note 3.05 (iv)]
iii. Recognition and Measurement of defined benefit obligations [see note 3.09(b)]
iv. Fair value of financial instruments [see note 3.07(B)]
v. Business model assessment [see note 3.07(C)]
vi. Impairment of financial assets [see note 3.07(E)]
vii. Evaluation of lease, lease term and discount rate [see note 3.11]
viii. Provisions, Contingent liabilities and Contingent Assets [see note 3.14]
ix. Provision for tax expenses [see note 3.15]
x. Effective Interest rate

## 3. Significant accounting policies

### 3.01 Revenue recognition

Revenue(other than those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value for the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax 'GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when(or as) the Company satisfies a performance obligation.

Specific policies for the Company's different sources of revenue are explained below:

**i. Interest income**

The Company recognizes interest income using Effective Interest Rate ("EIR") on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognizes interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization.

**ii. Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

**iii. Dividend income**

Dividend income is recognised when the Company's right to receive the payment is established.

**iv. Recoveries of financial assets written off**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

### 3.02 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.03 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises of purchase price and any attributable cost such as duties, non -refundable taxes, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

ii. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

iii. Depreciation

The Company provides depreciation on straight line method based on the useful lives prescribed in Schedule II of the Companies Act, 2013, except in respect of mobile handsets (included in office equipment) where useful life has been considered to be 2 years based on the Company's replacement policy for such handsets given to employees. Depreciation on leasehold improvements is provided over the primary period of lease of premises or 5 years, whichever is less.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**3. Significant accounting policies (contd.)**

**3.03 Property, plant and equipment (contd.)**

iv. De-recognition

An item of property, plant and equipment is derecognised 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 recognized in the statement of profit and loss.

**3.04 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**3.05 Other intangible assets**

Intangible assets are initially recognised at its cost and subsequently carried at the cost less accumulated amortization and impairment, if any and are amortised equally over the period of 3 years commencing from the year in which the expenditure is incurred.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The estimated useful lives, residual values and amortization method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

An intangible asset is derecognised 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 derecognition is recognized in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”.

**3.06 Investment Properties**

Properties, including those under construction, held to earn rentals and /or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognized using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013 or in case if assets were the useful life was determined by technical evaluation , over the useful life so determined. Depreciation method is revised at each financial year end to reflect the expected pattern of consumption of the future benefit embodied in the investment property, the estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the statement of profit and loss in the same year.

**3.07 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

**A. Initial measurement and recognition of Financial assets and financial liabilities**

Financial assets and financial liabilities are initially measured at 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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in statement of profit and loss.

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

**B. Fair value of financial instruments**

The Company measures its qualifying financial instruments 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this standalone financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. 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
iii. Level 3 inputs are unobservable inputs for the asset or liability.

**C. Financial assets**

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised; and

- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

**Assessment whether contractual cash flows are solely payments of principal and interest**

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic fending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

**Subsequent measurement**

**(a) Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met-

i. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

ii. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss.

**(b) Financial asset at fair value through Other Comprehensive Income (FVOCI)**

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognised through statement of profit and loss. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

**(c) Financial asset at fair value through profit and loss (FVTPL)**

Any financial instrument which does not meet the criteria for categorisation as at amortized cost or as FVOCI, is classified to be measured at FVTPL. Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss .

**D. Financial liabilities**

All financial liabilities are subsequently measured at amortised cost. A financial liability is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit & loss.

**E. Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost such as loan given.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e, all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

For ECL methodology for loan portfolio, pleasde refer note no. 51.04.

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, 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 and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

**F. Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**G. Modifications of financial assets and financial liabilities**

**Financial assets**

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases. it is presented as interest income or other gain or loss as appropriate.

**Financial liabilities**

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different In this case, a new financial liability based on the modified terms Is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**H. Write off**

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

**I. Derivative financial instruments**

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include Foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

**3. Significant accounting policies (contd.)**

**J. Securitization**

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by commercial banks for consideration received in cash at the inception of the transaction. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109.

**3.08 Business combination**

The Company has used acquisition method of accounting for business combinations. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair values. Acquisition-related costs are recognised in statement of profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

**3.09 Employee benefits**

(a) Short term benefits

Short term employee benefits are charged to statement of profit and loss at the undiscounted amount in the year in which the related service is rendered.

(b) Long term benefit plans

Defined contribution plan – Provident and family pension fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. Provident and family pension fund are classified as defined contribution plans as the Company has no further obligations beyond making the contribution. The contribution towards the plan is charged to statement of profit and loss in the year it is incurred.

Defined benefit plan – Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of continuous service or part thereof in excess of six months on the basis of last drawn eligible salary. Vesting occurs upon completion of five years of service. The Company accounts for gratuity benefits payable in future, based on an independent actuarial valuation carried out as at the year end. Actuarial gain/loss is recognised in the other comprehensive income.

Other long term benefit plan – Compensated absences:

The Company provides for leave with pay to eligible employees as per the Company's policies. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gain/loss is recognised in the Statement of Profit and Loss.

**3.10 Foreign currency transactions**

These standalone financial statements are presented in Indian rupees which is also the functional currency of the Company. Transactions in currencies other than Indian rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies, are re-translated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.

**3. Significant accounting policies (contd.)**

**3.11 Leases - Company as lessee**

Company as lessee

Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of fixed lease payments(less any lease incentives), variable lease payments, penalties, etc. The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs . They are subsequently measured at cost less accumulated depreciation and impairment losses.

Security deposit for rent premises having lease tenure of more than 12 months are recored at present value over its lease tenure.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented under property, plant and equipment.

The Company applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired. Variable rents are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line " Other expenses" in the statement of profit or loss.

**3.12 Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/external factors. If any of such indicator exists, impairment loss is provided in the statement of profit or loss to the extent the carrying amount of assets exceeds their estimated recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

**3. Significant accounting policies (contd.)**

**3.13 Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**3.14 Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority and the taxation laws permit the entity to make or receive a single net payment.

**Minimum Alternative Tax Credit**

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

**3. Significant accounting policies (contd.)**

**3.15 Finance Cost**

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fee, arranger fee, stamping expense and rating expense etc. The Company recognises interest expense and other ancillary cost on the borrowings as per Effective Interest Rate Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.
Finance costs are charged to the Statement of Profit and Loss.

**3.16 Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

**3.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**3.18 Employee Share based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Stock Options Outstanding Reserve.

**3.19 Recent accounting pronouncements:**

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.
The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.
The Company does not expect this amendment to have any material impact in its financial statements.
Indian Accounting Standard (Ind AS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has changed the definition of a "change in accounting estimates" to a definition of "accounting estimates". The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.
The Company does not expect this amendment to have any material impact in its financial statements.
Indian Accounting Standard (Ind AS) 12 – Income taxes – This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.
The Company does not expect this amendment to have any material impact in its financial statements.

**AMBIT FINVEST PRIVATE LIMITED**
**Notes forming part of the standalone financial statements for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **4. CASH AND CASH EQUIVALENTS** | | |
| Cash on hand | 44.45 | 21.43 |
| Balance with banks | | |
| - In current accounts | 5,570.90 | 2,416.36 |
| In deposit accounts with original maturity of three months or less | 285.45 | 7,508.77 |
| Less: Impairment loss allowance | 0.07 | 9.19 |
| | 285.38 | 7,499.58 |
| | 5,900.73 | 9,937.37 |
| **5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS** | | |
| Deposits with a bank [see footnote] | 6,066.68 | 5,390.45 |
| Less: Impairment loss allowance | 2.97 | 2.64 |
| | 6,063.71 | 5,387.81 |
| Note: Deposits with a bank is under lien for the overdraft facility | | |
| **6. TRADE RECEIVABLES** | | |
| Other receivables (Undisputed , Considered good) | 496.92 | - |
| | 496.92 | - |

**Ageing of Trade Receivables**

As at March 31, 2023

| Particulars | Unbilled dues | Not Due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| (i) Undisputed trade receivable- considered good | - | - | 496.92 | - | - | - | - | 496.92 |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- Credit Impaired | | | | | | | | |
| Total | - | - | 496.92 | - | - | - | - | 496.92 |

As at March 31, 2022

| Particulars | Unbilled dues | Not Due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| (i) Undisputed trade receivable- considered good | - | - | - | - | - | - | - | - |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- Credit Impaired | | | | | | | | |
| Total | - | - | - | - | - | - | - | - |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| | | |
| | | |
| **7. LOANS** | | |
| (at amortised cost) | | |
| Term Loans | 2,24,136.76 | 1,31,281.04 |
| Supply chain receivables | 138.35 | - |
| Interest accrued on loans | 3,686.75 | 1,985.35 |
| | 2,27,961.86 | 1,33,266.39 |
| Less: Impairment loss allowance | 4,561.30 | 3,237.92 |
| | 2,23,400.56 | 1,30,028.47 |
| | | |
| | | |
| (A) Out of above | | |
| (i) Secured | 1,50,619.07 | 97,666.40 |
| Less: Impairment loss allowance | 2,695.64 | 2,453.26 |
| Total (i) | 1,47,923.43 | 95,213.14 |
| | - | - |
| (ii) Unsecured | 77,342.79 | 35,599.99 |
| Less: Impairment loss allowance | 1,865.66 | 784.66 |
| Total (ii) | 75,477.13 | 34,815.33 |
| | | |
| Total (i+ii) | 2,23,400.56 | 1,30,028.47 |
| | | |
| (B) Out of above | | |
| (i) Loans in India | | |
| Public sector | - | - |
| Others | 2,27,961.86 | 1,33,266.39 |
| Total (i) | 2,27,961.86 | 1,33,266.39 |
| | | |
| (ii) Loans outside India | - | - |
| Others | - | - |
| Total (ii) | - | - |
| | | |
| Total (i+ii) | 2,27,961.86 | 1,33,266.39 |
| Less: Impairment loss allowance | 4,561.30 | 3,237.92 |
| | 2,23,400.56 | 1,30,028.47 |

(C) Out of above

-The Company has no loans and advances granted to Promoters, KMP or other related parties which are either repayable on demand or are without specifying any terms or period of repayment.

-Loans given to staff outstanding as on Mar 31, 2023 is Rs 4.91 lakhs (Previous year - 2.66 lakhs).

7. LOANS (contd.)

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Notes:** | | |
| **1.** Loans are secured by pledge/lien on the shares / securities, hypothecation of current/fixed assets, mortgage of immovable properties, guarantees, receivables. | **1,50,619.07** | 97,666.40 |
| **2.** Includes loans in the form of non-convertible debentures aggregating | **-** | 149.60 |

*(Amounts in ₹ lakhs)*

**3.**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Gross carrying amount-<br>Opening balance as at 1st April, 2022 | 1,22,535.15 | 6,946.54 | 3,784.71 | 1,33,266.40 |
| Net assets originated | 1,82,313.97 | - | - | 1,82,313.97 |
| Assets derecognised or repaid (excluding write-offs) | (81,731.45) | (1,890.17) | (245.00) | (83,866.62) |
| Transfers to Stage 1 | 509.35 | (308.27) | (201.08) | - |
| Transfers to Stage 2 | (4,966.07) | 5,536.67 | (570.60) | - |
| Transfers to Stage 3 | (4,830.81) | (1,264.37) | 6,095.18 | - |
| Amounts written off | - | - | (3,751.89) | (3,751.89) |
| **Gross carrying amount -<br>Closing balance as at 31st March, 2023** | **2,13,830.14** | **9,020.40** | **5,111.32** | **2,27,961.86** |

*(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Gross carrying amount-<br>Opening balance as at 1st April, 2021 | 85,042.60 | 11,681.54 | 2,650.90 | 99,375.04 |
| Net assets originated | 89,618.20 | - | - | 89,618.20 |
| Assets derecognised or repaid (excluding write-offs) | (45,269.91) | (7,066.45) | (1,442.19) | (53,778.55) |
| Transfers to Stage 1 | 918.32 | (875.77) | (42.55) | 0.00 |
| Transfers to Stage 2 | (4,961.04) | 4,961.04 | - | - |
| Transfers to Stage 3 | (2,813.02) | (1,753.82) | 4,566.84 | - |
| Amounts written off | - | - | (1,948.29) | (1,948.29) |
| **Gross carrying amount -<br>Closing balance as at 31st March, 2022** | **1,22,535.15** | **6,946.54** | **3,784.71** | **1,33,266.40** |

**Reconciliation of ECL balance is given below** *(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance - Opening balance as at 1st April, 2022 | 692.76 | 1,092.41 | 1,452.75 | 3,237.92 |
| Net assets originated | 3,585.13 | - | - | 3,585.13 |
| Assets derecognised or repaid (excluding write-offs) | (852.74) | (243.55) | (306.71) | (1,403.00) |
| Transfers to Stage 1 | 15.00 | (14.18) | (0.81) | - |
| Transfers to Stage 2 | (1,233.72) | 1,309.26 | (75.54) | - |
| Transfers to Stage 3 | (1,448.68) | (457.44) | 1,906.12 | - |
| Amounts Written off | - | - | (858.75) | (858.75) |
| **ECL allowance - Closing balance as at 31st March, 2023** | **757.76** | **1,686.49** | **2,117.05** | **4,561.30** |

*(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance - Opening balance as at 1st April, 2021 | 807.61 | 1,581.30 | 984.67 | 3,373.58 |
| Net assets originated | 2,248.02 | - | - | 2,248.02 |
| Assets derecognised or repaid (excluding write-offs) | (505.50) | (892.80) | (375.02) | (1,773.32) |
| Transfers to Stage 1 | 33.15 | (33.05) | (0.10) | - |
| Transfers to Stage 2 | (1,190.07) | 1,190.07 | - | - |
| Transfers to Stage 3 | (700.45) | (753.11) | 1,453.56 | - |
| Amounts Written off | - | - | (610.36) | (610.36) |
| **ECL allowance - Closing balance as at 31st March, 2022** | **692.76** | **1,092.41** | **1,452.75** | **3,237.92** |

**Outstanding of Default Loans:-**

| **Particulars-<br>Days past due** | **As at 31st March, 2023** | | **As at 31st March, 2022** | |
|---|---|---|---|---|
| | **Total Amount Outstanding (₹ in Lakhs)** | **No. of Cases** | **Total Amount Outstanding (₹ in Lakhs)** | **No. of Cases** |
| 1-30 days | 5,865.46 | 1187 | 3,024.95 | 325 |
| 31-60 days | 4,001.22 | 818 | 6,538.15 | 261 |
| 61-90 days | 1,706.42 | 480 | 408.38 | 37 |
| More than 90 days | 4,826.28 | 1015 | 3,784.71 | 208 |
| **Total** | **16,399.38** | **3500** | **13,756.19** | **831** |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | **Units / Shares** | **Amount** | Units / Shares | Amount |
| **8. INVESTMENTS** | | | | |
| (in India) | | | | |
| **At fair value through profit or loss** | | | | |
| Investment in non-convertible debentures and bonds (Face Value Rs. 100,000/- each) | - | - | 598 | 6,017.08 |
| **At amortised cost** | | | | |
| Investment in commercial paper | | - | | - |
| In Pass Through Certificates (PTC) representing securitisation of loan receivables | | 11,380.29 | | 19,106.35 |
| **Less** | | | | |
| PTC of a pool, which is acquired by the company & hence deducted from investments and debt securities | | (1,269.67) | | |
| Impairment loss allowances | | (12.55) | | (59.26) |
| **At cost** | | | | |
| **Investment in Equity** | | | | |
| -Investment in subsidiary (Face Value Rs. 10 each) | 2,05,09,900 | 2,051.00 | 2,05,09,900 | 2,051.00 |
| | | **12,149.07** | | **27,115.17** |
| (i) Investments in India | | **12,149.07** | | 27,115.17 |
| (ii) Investments outside India | | **-** | | - |
| | | **12,149.07** | | 27,115.17 |
| **9. OTHER FINANCIAL ASSETS** | | | | |
| **(at amortised cost)** | | | | |
| Receivable from related parties for reimbursement of expenses | | **1.84** | | 20.20 |
| Security deposits | | **368.50** | | 200.19 |
| Other receivables | | **5,024.23** | | 1,513.21 |
| | | **5,394.57** | | 1,733.60 |
| **10(a). CURRENT TAX ASSETS (net)** | | | | |
| Advance Tax | | **3,176.36** | | 1,883.60 |
| Less: Provision for tax | | **(1,200.49)** | | (1,200.49) |
| Advance tax net of provision for tax | | **1,975.87** | | 683.11 |
| **10(b). CURRENT TAX LIABIITIES (net)** | | | | |
| Provision for Tax | | **837.06** | | 837.06 |
| Less: Advance Tax | | **(777.73)** | | (763.39) |
| Provision for Tax net of advance tax | | **59.33** | | 73.67 |

*(Amounts in ₹ lakhs)*

**11. PROPERTY PLANT AND EQUIPMENT**

| Particulars | Furniture and fixtures | Office equipment | Computers and equipment | Improvements to leasehold premises | Total |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| As at 1st April, 2021 | 97.26 | 84.47 | 171.84 | 294.31 | **647.88** |
| Additions | 31.71 | 66.24 | 144.77 | 57.57 | **300.29** |
| Disposals | (3.13) | (1.01) | - | - | **(4.14)** |
| **Closing gross carrying amount as at 31st March, 2022** | **125.84** | **149.70** | **316.61** | **351.88** | **944.03** |
| **Additions** | **130.32** | **74.01** | **362.50** | **104.99** | **671.82** |
| **Disposals** | **(6.22)** | **(5.30)** | **(21.76)** | **(24.17)** | **(57.45)** |
| **Closing gross carrying amount as at 31st March, 2023** | **249.94** | **218.41** | **657.35** | **432.70** | **1,558.40** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| As at 1st April, 2021 | 19.90 | 29.61 | 72.56 | 91.12 | **213.19** |
| Depreciation charge for the year | 11.63 | 23.12 | 70.76 | 65.75 | **171.26** |
| On deletions | (1.72) | (0.66) | - | - | **(2.38)** |
| **Closing accumulated depreciation as at 31st March, 2022** | **29.81** | **52.07** | **143.32** | **156.87** | **382.07** |
| **Depreciation charge for the year** | **16.24** | **34.04** | **129.47** | **85.00** | **264.75** |
| **On deletions** | **(1.75)** | **(3.50)** | **(20.47)** | **(14.27)** | **(39.99)** |
| **Closing accumulated depreciation as at 31st March, 2023** | **44.30** | **82.61** | **252.32** | **227.60** | **606.83** |
| | | | | | |
| **Net carrying amount as at 31st March, 2023** | **205.64** | **135.80** | **404.33** | **205.10** | **951.57** |
| Net carrying amount as at 31st March, 2022 | 96.03 | 97.63 | 173.29 | 195.01 | 561.96 |

Note: (i) The Company has not revalued its Property, Plant and Equipment

(ii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**12. GOODWILL**

*(Amounts in ₹ lakhs)*

| Particulars | Amount |
|---|---|
| **Gross carrying amount as at 1st April, 2021** | 2,436.68 |
| **Additions** | - |
| Less: Accumulated impairment loss | - |
| **Closing gross carrying amount as at 31st March, 2022** | **2,436.68** |
| **Additions ( refer note no. 52)** | **2,300.28** |
| **Less: Accumulated impairment loss** | **-** |
| **Closing gross carrying amount as at 31st March, 2023** | **4,736.96** |

## 13. OTHER INTANGIBLE ASSETS

*(Amounts in ₹ lakhs)*

| Particulars | Amount |
|---|---|
| **Computer Software** | |
| **Gross carrying amount** | |
| As at 1st April, 2021 | 193.35 |
| Additions | 172.70 |
| **Closing gross carrying amount as at 31st March, 2022** | **366.05** |
| **Additions** | **679.62** |
| **Disposals** | **-** |
| **Closing gross carrying amount as at 31st March, 2023** | **1,045.67** |
| | |
| **Accumulated Amortisation** | |
| As at 1st April, 2021 | 133.59 |
| Amortisation charge for the year | 65.42 |
| **Closing accumulated depreciation as at 31st March, 2022** | **199.01** |
| **Amortisation charge for the year** | **183.83** |
| **On deletions** | **-** |
| **Closing accumulated depreciation as at 31st March, 2023** | **382.84** |
| | |
| **Net carrying amount as at 31st March, 2023** | **662.83** |
| Net carrying amount as at 31st March, 2022 | 167.04 |

## 13(a) INTANGIBLE ASSETS UNDER DEVELOPMENT

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| Softwares | 63.79 | - |
| **Total** | **63.79** | **-** |

The ageing for Intangible assets under development as on 31 March, 2023 is as follows

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 63.79 | - | - | - | 63.79 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | 63.79 | - | - | - | 63.79 |

There are no projects which are overdue for completion.

The ageing for Intangible assets under development as on 31 March, 2022 is as follows

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | - | - | - | - | - |

## 14. RIGHT TO USE AND LEASE LIABILITY MOVEMENT

*(Amounts in ₹ lakhs)*

| | 31st March 2023 | | 31st March 2022 | |
|---|---|---|---|---|
| | Right of use assets | Lease liabilities | Right of use assets | Lease liabilities |
| **Opening balance** | 1,601.51 | 1,704.43 | 1,181.12 | 1,231.24 |
| Effect of additional leases entered during the year (right of use is inclusive of security deposits of ₹33.42 lakhs) | 1,754.37 | 1,784.74 | 933.37 | 913.01 |
| Less: Amortisation during the year of Right of use asset | (609.76) | - | (486.59) | - |
| Add: Interest expense on lease liability | - | 186.18 | - | 131.97 |
| Less: Lease payments during the year | - | (712.03) | - | (543.32) |
| Add: Foreign currency translation effect | - | - | - | - |
| Preclosure of Lease agreement | (306.09) | (404.17) | (26.39) | (28.47) |
| **Closing balance** | **2,440.03** | **2,559.15** | **1,601.51** | **1,704.43** |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| | | |
| **15. OTHER NON-FINANCIAL ASSETS** | | |
| Prepaid expenses | **451.76** | 233.64 |
| Advance to suppliers for capital goods | **34.16** | 288.85 |
| Advance against expenses | **176.24** | 137.03 |
| GST Input credit | **588.52** | 512.81 |
| | **1,250.68** | 1,172.33 |

**16. DERIVATIVE FINANCIAL INSTRUMENTS**

| | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Notional amounts | Fair Value-Assets | Fair Value-Liabilities | Notional amounts | Fair Value-Assets | Fair Value-Liabilities |
| Part I | | | | | | |
| (i) Currency derivatives: | | | | | | |
| Currency swaps | **5,695.59** | **-** | **89.21** | **-** | **-** | **-** |
| **Subtotal (i)** | 5,695.59 | - | 89.21 | - | - | - |
| (ii)Interest rate derivatives | | | | | | |
| Forward Rate Agreements and Interest Rate swaps | | | | | | |
| **Subtotal (ii)** | | | | | | |
| **Total Derivative Financial Instruments (i)+(ii)** | 5,695.59 | - | 89.21 | - | - | - |
| Part II | | | | | | |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| (i) Fair value hedging: | | | | | | |
| Currency derivatives | | | | | | |
| Interest Rate derivatives | | | | | | |
| **Subtotal (i)** | - | - | - | - | - | - |
| (ii) Cash flow hedging: | | | | | | |
| Currency derivatives | | | | | | |
| Interest rate derivatives | | | | | | |
| **Subtotal (ii)** | - | - | - | - | - | - |
| (iii) Undesignated Derivatives | | | | | | |
| Currency Swaps | | | | | | |
| **Subtotal (iii)** | | | | | | |
| **Total Derivative Financial (i)+(ii)+(iii)** | - | - | - | - | - | - |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **17. PAYABLES** | | |
| (at amortised cost) | | |
| i) total outstanding dues of micro enterprises and small enterprises | **51.30** | 99.44 |
| ii) total outstanding dues of creditors other than micro enterprises and small enter | **3,793.21** | 2,697.52 |
| | **3,844.51** | 2,796.96 |

**Payables ageing schedule**

**As at 31st March 2023**

| | **Outstanding for following periods from due date of payment** | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i)MSME | 51.30 | - | - | - | 51.30 |
| (ii)Others | 1,056.32 | 24.14 | - | - | 1,080.46 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Unbilled Dues | 2,712.75 | - | - | - | 2,712.75 |
| **Total** | **3,820.37** | **24.14** | **-** | - | **3,844.51** |

**As at 31st March 2022**

| | **Outstanding for following periods from due date of payment** | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i)MSME | 99.44 | - | - | - | 99.44 |
| (ii)Others | 1,097.42 | 32.88 | - | - | 1,130.30 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Unbilled Dues | 1,567.22 | - | - | - | 1,567.22 |
| **Total** | **2,764.08** | **32.88** | **-** | - | **2,796.96** |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **18. DEBT SECURITIES** | | |
| (Secured, at amortised cost, in India) | | |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 1st June, 2022 | - | 5,359.49 |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with original maturity date 23rd June, 2023, prepayment made on March 31, 2023. | - | 8,670.01 |
| 9.00% Non Convertible Debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 30th June, 2024 | 2,996.60 | 2,995.04 |
| 9.50% Non Convertible Debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 27th March, 2026 | 4,792.16 | - |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 28th June, 2024 | 10,561.96 | - |
| Liabilities arising out of Securitisation transactions | 1,801.50 | - |
| **Less -** | | |
| PTC of a pool, which is acquired by the company & hence deducted from investments and debt securities | (1,269.67) | - |
| (Unsecured, at amortised cost, in India) | | |
| Subordinate Debt | 5,183.84 | - |
| Commercial Paper | 5,885.24 | - |
| | 29,951.62 | 17,024.54 |
| **19. BORROWINGS (OTHER THAN DEBT SECURITIES)** | | |
| (at amortised cost) | | |
| (a) Term loans | | |
| (i) from banks | 1,13,363.33 | 73,533.39 |
| (ii) from other parties | 28,769.60 | 14,658.71 |
| (b) Loans from related parties [see note 41] | 5,000.00 | - |
| (c) Loans repayable on demand | 2,057.97 | 908.69 |
| Total | 1,49,190.90 | 89,100.80 |
| Out of above | | |
| (i) Secured | 1,44,190.90 | 89,100.80 |
| (ii) Unsecured | 5,000.00 | - |
| Total | 1,49,190.90 | 89,100.80 |
| (B) Out of above | | |
| (i) Borrowings in India | 1,49,190.90 | 89,100.80 |
| (ii) Borrowings outside India | - | - |
| Total | 1,49,190.90 | 89,100.80 |

AMBIT FINVEST PRIVATE LIMITED

**Notes forming part of the standalone financial statements for the year ended 31st March, 2023**

**19A Borrowings (Contd.)**

**Terms of repayment of term loans**

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2023:

| Particulars | <1 year | 1-3 years | > 3 years | Total |
|---|---|---|---|---|
| | | | | |
| **For TL from Banks:** | | | | |
| Monthly installments | 7,225.72 | 10,137.50 | 1,820.16 | **19,183.39** |
| Quarterly Installments | 31,214.13 | 48,596.64 | 15,164.94 | **94,975.71** |
| | | | | |
| **For TL Other than Banks:** | | | | |
| Monthly installments | 9,898.38 | 5,149.46 | 80.27 | **15,128.12** |
| Quarterly Installments | 5,900.00 | 11,138.00 | 1,624.95 | **18,662.95** |
| | | | | |
| **Securitisation:** | | | | |
| Monthly installments | 1,758.29 | 33.85 | - | **1,792.14** |
| | | | | |
| **Total** | **55,996.53** | **75,055.46** | **18,690.33** | **1,49,742.31** |

(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

| Particulars | <1 year | 1-3 years | > 3 years | Total |
|---|---|---|---|---|
| | | | | |
| **For TL from Banks:** | | | | |
| Monthly installments | 2,368.75 | 3,623.44 | 338.02 | **6,330.21** |
| Quarterly Installments | 19,198.21 | 34,391.00 | 13,877.90 | **67,467.11** |
| Bullet repayment | 275.00 | - | - | **275.00** |
| | | | | |
| **For TL Other than Banks:** | | | | |
| Monthly installments | 3,444.45 | 3,500.00 | | **6,944.45** |
| Quarterly Installments | 1,750.00 | 3,371.35 | 2,625.00 | **7,746.35** |
| Bullet repayment | - | - | - | **-** |
| | | | | |
| **Securitisation:** | - | - | - | **-** |
| **Total** | **27,036.41** | **44,885.79** | **16,840.92** | **88,763.12** |

**Details of security given for secured loans:**

i. Secured by Pari-Passu charge on receivables from Financing business and other Current Assets.
ii. Rate of Interest for term loan from banks is in the range of 8.02% to 11.93%. Average ROI is 9.41%.
iii. Rate of Interest for term loan from other than banks is in the range of 9.00% to 11.50%. Average ROI is 9.58%.

**Other Notes:**

i. Borrowing amounting to Rs.10,625.00 lakhs (Principal outstanding) are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover from 1.1 times to 1.2 times with respect to its debt securities.
ii. Term Loans were used fully for the purpose for which the same were obtained.
iii. The Company has not defaulted in the repayment of debt securities, borrowings (other than debt securities), subordinated liabilities and interest thereon for the year ended March 31, 2023 and March 31, 2022.
iv. No securitisation of charges are pending to be filed with ROC.

DISCLOSURES AS PER REGULATION Section 53 and 54 OF SEBI LODR REGULATIONS, 2015
- Debenture Trustee Details:
Vistra ITCL (India) Limited
Address: IL&FS Financial Centre, Plot C-22, G Block, 7th Floor, Mumbai, 400 051
Tel: +91 22 26593549, E-mail: mumbai@vistra.com
Website: www.vistraitcl.com

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Address : The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
Office :+91 22 4264 8335
Tel: +91 8657002633, E-mail: rushabh@vardhmantrustee.com
www.vardhmantrustee.com

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **20. OTHER FINANCIAL LIABILITIES** | | |
| (at amortised cost) | | |
| Margin money deposits | **829.76** | 648.52 |
| Credit balance in client accounts | **147.75** | 33.15 |
| Book overdraft | **4,157.57** | 1,248.47 |
| Payable towards acquisition of business | **859.69** | 660.39 |
| Payable to related parties for reimbursement of expenses | **119.24** | 236.43 |
| Payable on account of EMI related to DA out/ colending | **2,332.38** | 292.33 |
| Others | **398.37** | 103.40 |
| | **8,844.76** | 3,222.69 |
| | | |
| **21. PROVISIONS** | | |
| Provision for employee benefits | | |
| Gratuity | **222.36** | 180.83 |
| Compensated absences | **42.64** | 74.04 |
| Provision for loan commitment | **29.60** | 10.06 |
| | **294.60** | 264.93 |
| | | |
| **22. OTHER NON-FINANCIAL LIABILITIES** | | |
| Statutory dues | **568.58** | 363.18 |
| | **568.58** | 363.18 |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 No. | As at 31st March, 2023 Amount | As at 31st March, 2022 No. | As at 31st March, 2022 Amount |
|---|---|---|---|---|
| **23. SHARE CAPITAL** | | | | |
| **Authorised :** | | | | |
| Equity shares of ₹ 10 each | **2,50,00,000** | **2,500.00** | 2,50,00,000 | 2,500.00 |
| **Issued, subscribed and fully paid-up:** | | | | |
| Equity shares of ₹ 10 each, fully paid up | **1,76,80,100** | **1,768.01** | 1,76,76,767 | 1,767.68 |
| **Issued, subscribed but not fully paid-up:** | | | | |
| Equity shares of ₹ 10 each ₹ 1, per share paid up | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| **Total** | | **1,809.72** | | 1,809.39 |

**23.01 Reconciliation of outstanding equity shares**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 No. | As at 31st March, 2023 Amount | As at 31st March, 2022 No. | As at 31st March, 2022 Amount |
|---|---|---|---|---|
| Fully paid up: | | | | |
| As at the beginning of the year | **1,76,76,767** | **1,767.68** | 1,76,75,100 | 1,767.51 |
| Add: Shares allotted upon under exercise of stock options | **3,333** | **0.33** | 1,667 | 0.17 |
| As at the end of the year | **1,76,80,100** | **1,768.01** | 1,76,76,767 | 1,767.68 |
| Not fully paid-up: | | | | |
| As at the beginning of the year | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| Add: Shares issued during the year | **-** | **-** | - | - |
| As at the end of the year | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| **Total** | **2,18,51,205** | **1,809.72** | 2,18,47,872 | 1,809.39 |

**23.02 Details of shares held by each shareholder holding more than 5% shares**

| | As at 31st March, 2023 No. | As at 31st March, 2023 % | As at 31st March, 2022 No. | As at 31st March, 2022 % |
|---|---|---|---|---|
| Ambit Private Limited, the holding Company | **1,35,12,605** | **61.84%*** | 1,35,12,605 | 61.84%* |
| Rising Sun Holdings Private Limited | **32,21,405** | **14.74%*** | 32,21,405 | 14.74%* |
| Jeevadravya Bio-Pharma Private Limited | **11,79,695** | **5.40%*** | 11,79,695 | 5.40%* |
| *calculated based on total number of shares issued | | | | |

**23.03** Details of Shares held by promoters at the end of the year

| | As at 31st March, 2023 No. | As at 31st March, 2023 % | % of Change during the year | As at 31st March, 2022 No. | As at 31st March, 2022 % | % of Change during the year |
|---|---|---|---|---|---|---|
| Ambit Private Limited, the holding Company | **1,35,12,605** | **61.84%*** | 0.00% | 1,35,12,605 | 61.85%* | 0.00% |

*The percentage change has been computed on the basis of number of shares.

**23.04** The Company has one class of shares, namely equity shares, having a par value of ₹ 10 per share, which rank pari passu in all respects including voting rights and entitlement of dividend. Partly paid-up shares shall rank pari-passu with the existing equity shares of the Company in all respects with respect to dividends and voting rights, only to the extent that the equity shares are paid-up. The dividend proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts.

**23.05** During the year, 3,333 equity shares (Previous year: 1,667) of Face value Rs. 10/- each were allotted at a premium of Rs. 296/- per share upon the exercise of employee stock options scheme.

**23.06** For details of equity shares reserved for issue under Employee Stock Option Schemes, see note 44.

**23.07** There are no shares in the preceding 5 years allotted as bonus shares / fully paid up without payment being received in cash. Further, there have been no buy back in preceding 5 years.

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **24. OTHER EQUITY** | | |
| (i) Statutory reserve [see footnote (i) below] | **3,459.56** | 2,798.10 |
| (ii) Securities premium [see footnote (ii) below] | **51,245.79** | 51,233.67 |
| (iii) Share options outstanding account see footnote (iii) | **317.44** | 159.17 |
| (iv) Retained earnings [see footnote (iv) below] | **13,470.61** | 10,801.67 |
| | **68,493.40** | **64,992.61** |

**Notes:**

(i) **Statutory Reserve**

Statutory reserve represents reserve created pursuant to the Reserve Bank of India (Amendment) Ordinance, 1997, as prescribed by section 45-IC of the Reserve Bank of India Act, 1934. The amount transferred to the special reserve is equivalent to 20% of the profit for the year.

(ii) **Securities premium**

Securities premium represents the premium collected on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) **Share options outstanding account**

Share options outstanding account represents cost recognised in the statement of profit & loss account in respective share options granted by the Company to its employees under Ambit Finvest Employee Stock Option Scheme 2018.

(iv) **Retained earnings**

It represents the amount of accumulated profits and losses of the Company over the years that can be distributed by the Company as dividends to its equity shareholders.

(v) For detailed movement in the balance of Reserve and Surplus, refer Statement of changes in equity.

*(Amounts in ₹ lakhs)*

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **25. INTEREST INCOME** | | |
| (on financial assets measured at amortised cost) | | |
| Interest on loans | **25,851.69** | 16,707.24 |
| Interest on deposits with banks and financial institution | **714.09** | 368.71 |
| Interest income on PTC investments | **2,297.59** | 1,398.97 |
| Interest income on commercial paper | **116.78** | 39.76 |
| | **28,980.15** | 18,514.68 |
| **26. NET GAIN ON FAIR VALUE CHANGES** | | |
| Net gain on financial instruments at fair value through profit or loss | | |
| Investment in mutual funds: | | |
| - Realised | **117.47** | 24.51 |
| - Unrealised | **-** | - |
| Investment in Debentures | | |
| - Realised | **544.93** | 366.71 |
| - Unrealised | **-** | 3.00 |
| | **662.40** | **394.22** |
| **27. NET GAIN/(LOSS) ON DERECOGNITION OF FINANCIAL INSTRUMENTS** | | |
| Net Gain on Derecognition of the Financial Instruments | **3,540.82** | 1,469.90 |
| Net Loss on the sale of credit impaired assets* | **-** | (380.46) |
| | **3,540.82** | **1,089.44** |
| *net of provision for expected credit loss of Rs. Nil (Previous Year Rs. 346.21 Lakhs) | | |
| **28. FEES AND COMMISSION INCOME** | | |
| (on financial assets measured at amortised cost) | | |
| Other Financial charges | **207.56** | 38.68 |
| Prepayment charges | **642.52** | 265.20 |
| | **850.08** | **303.88** |
| **29. OTHER INCOME** | | |
| Unwinding of discount on security deposits | **33.10** | 18.10 |
| Profit on sale of Investment Property | **-** | 30.56 |
| Service charge | **888.54** | 86.14 |
| Miscellaneous income | **-** | 2.08 |
| | **921.64** | 136.88 |
| **30. FINANCE COSTS** | | |
| (on financial liabilities measured at amortised cost) | | |
| Interest on borrowings | **10,059.78** | 4,975.51 |
| Interest on Debt Securities | **1,861.43** | 1,331.71 |
| Interest on lease liabilities | **186.18** | 131.97 |
| Loan processing fees | **631.14** | 187.06 |
| | **12,738.53** | 6,626.25 |
| **31. NET LOSS ON FAIR VALUE CHANGES** | | |
| Net loss on financial instruments at fair value through profit or loss | | |
| On Derivatives | | |
| - Realised | **-** | - |
| - Unrealised | **89.21** | - |
| | **89.21** | **-** |

*(Amounts in ₹ lakhs)*

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **32. IMPAIRMENT OF FINANCIAL ASSETS** | | |
| Loans written off (net of recoveries) | **1,700.51** | 586.59 |
| Provision for expected credit loss | **1,191.79** | 164.40 |
| | **2,892.30** | 750.99 |
| **33. EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries and other allowances | **9,137.99** | 6,111.96 |
| Employer's contribution to provident and other funds | **428.98** | 258.31 |
| Gratuity expense | **72.92** | 51.18 |
| Staff welfare expenses | **375.33** | 137.40 |
| | **10,015.22** | 6,558.85 |
| **34. DEPRECIATION AND AMORTISATION EXPENSE** | | |
| On property, plant and equipment | **264.77** | 171.26 |
| On other intangible assets | **183.83** | 65.42 |
| On Investment Property | **-** | 2.79 |
| On right of use asset | **609.76** | 486.59 |
| | **1,058.36** | 726.06 |
| **35. OTHER EXPENSES** | | |
| Rent | **117.14** | 87.67 |
| Repairs: Leasehold premises | **-** | 0.96 |
| Others | **37.77** | 21.38 |
| Insurance | **295.65** | 230.06 |
| Rates and taxes | **380.64** | 80.20 |
| Professional and legal charges | **842.26** | 610.09 |
| Credit appraisal charges | **816.81** | 324.36 |
| Payments to auditors- (refer note 37) | **33.36** | 25.41 |
| Electricity charges | **73.10** | 44.74 |
| Conveyance and travelling | **392.61** | 157.13 |
| Service charges | **49.81** | 49.97 |
| Office expenses | **257.70** | 145.25 |
| Communication expenses | **13.33** | 19.97 |
| Recruitment fees | **134.43** | 48.67 |
| Director's sitting fees and commission | **28.62** | 38.08 |
| Membership and subscription | **129.64** | 91.35 |
| Printing and stationery | **82.57** | 52.80 |
| Computer software expenses | **591.84** | 119.56 |
| Advertisement | **27.54** | 20.83 |
| Business promotion expenses | **97.65** | 11.55 |
| Postage and telegram | **65.59** | 38.97 |
| Bank charges | **17.30** | 47.83 |
| Expenditure on corporate social responsibility | **56.70** | 56.16 |
| Loss on sale of fixed assets | **17.46** | 1.77 |
| Miscellaneous expenses | **15.23** | 13.08 |
| | **4,574.75** | 2,337.84 |

*(Amounts in ₹ lakhs)*

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 36. | **Contingent Liabilities and commitments:** | | |
| | **(A) Contingent Liabilities** | | |
| | - Claims against the company not acknowledged as debts | | |
| | Income tax matters in respect of earlier years under dispute<br>Note:<br>Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions pending at relevant authority. | **10.77** | 10.77 |
| | **(B) Commitments** | | |
| | - Capital commitments towards property, plant and equipment | **286.94** | 3.75 |
| | - Loan Commitments | **8,254.42** | 3,414.67 |

*(Amounts in ₹ lakhs)*

| | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| 37. | **Payments to auditors (includes indirect taxes)** | | |
| | Audit fees | **27.26** | 23.25 |
| | Tax audit | | - |
| | Certification Fees | **4.47** | 2.15 |
| | Reimbursement of out of pocket expenses | **1.63** | - |

**38. Expenditure on Corporate Social Responsibility (CSR)**

*(Amounts in ₹ lakhs)*

| | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| (a) | Gross amount required to be spent by the Company during the year and approved by the Board | **56.70** | 56.16 |
| | | | |
| (b) | Amount spent during the year on: | | |
| (i) | Construction or acquisition of any asset | | - |
| (ii) | On Purposes other than (i) above | | |
| | Paid to Ambit Oditi Foundation for the objects including education, medical help etc. | **56.70** | 56.16 |
| | | **56.70** | 56.16 |
| | | | |
| (c) | Balance amount yet to be paid | **-** | - |

**Nature of CSR activities**

CSR Activities in both the year's included support to poor patients needing life saving organs transplant, construction of classrooms, distribution of food to needy children of various schools.

The Company has not entered into a contractual obligation and hence no provision has been made.

**39.** The Company has expense sharing and other arrangements with its holding company and fellow subsidiary companies. Arising from the foregoing, the amounts shown in the Statement of Profit and Loss are after inclusion of the following expenses:

*(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Employee benefits expense | | |
| - Salary and other allowances | 215.00 | 309.16 |
| - Employer's contribution to provident fund | 8.35 | 8.23 |
| - Staff Welfare | 23.00 | 6.44 |
| Rent | 25.29 | 30.38 |
| Repairs | 0.63 | 1.21 |
| Insurance | 41.00 | 39.21 |
| Rates and taxes | 1.12 | 0.33 |
| Professional and legal charges | 36.78 | 46.62 |
| Electricity charges | 2.60 | 2.59 |
| Conveyance and travelling | 18.32 | 4.15 |
| Commission Paid | - | 2.14 |
| Office expenses | 6.95 | 4.99 |
| Service charges | 36.35 | 49.74 |
| Communication expenses | 5.55 | 15.23 |
| Director's sitting fees and commission | 10.09 | 13.61 |
| Membership and subscription | 8.03 | 7.67 |
| Printing and stationery | 0.22 | 0.77 |
| Computer software expenses | 8.78 | 9.03 |
| Business promotion expenses | 4.87 | 1.52 |
| Miscellaneous expenses | 0.38 | - |

**40. Values used in calculating Earnings per share (EPS):**

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| | | |
| (i) Numerator: Profit for the year ( in ₹ lakhs) | **3,307.32** | **2,578.22** |
| (ii) Denominator: Weighted average number of equity shares for basic earnings per share [see footnote-1] | **1,80,92,489** | 1,80,92,480 |
| Denominator: Weighted average number of equity shares for diluted earnings per share [see footnote-1] | **1,81,29,431** | 1,81,37,459 |
| (iii) Nominal value of equity shares (₹ ) | **10.00** | 10.00 |
| (iv) Earnings per share (₹ ) | | |
| - Basic | **18.28** | **14.25** |
| - Diluted | **18.24** | **14.21** |

Notes:

1. The partly paid up equity shares are entitled to participate in dividends and accordingly are not considered to be dilutive potential equity shares. Further, the share options granted during the year are exercisable at fair value of the equity shares during the reporting period and hence are not considered as dilutive.

2. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.

**41. (i) Movement in Contingent provision against Standard Assets (Stage I & II) during the year is as under:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| | | |
| Opening Balance | **1,785.17** | 2,388.91 |
| Add: Additions during the year (net) | **659.08** | (603.74) |
| Closing Balance | **2,444.25** | 1,785.17 |
| | | |

**(ii) Movement in others provisions during the year is as under:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| | | |
| Opening Balance | **264.93** | 161.31 |
| Add: Additions during the year (net) | **29.67** | 103.62 |
| Closing Balance | **294.60** | 264.93 |
| | | |

**41. Related parties disclosures**

**(i) Name of related parties and description of relationship**

**(a) An individual owning, indirectly, an interest in the voting power that gives him control**
- Ashok Wadhwa

**(b) Ultimate Holding Company**
- Ambit Private Limited

**(c) Subsidiary Company**
- Ambit Housing Finance Private Limited

**(d) Key Management Personnel**
- Sanjay Sakhuja, Whole time Director and Executive Chairman
- Sanjay Agarwal, Whole time Director and Chief Executive Officer
- Vikrant Narang, Whole time Director and Deputy Chief Executive Officer
- Sanjay Dhoka, Whole-time Director and CFO & COO
- Ameet Nalin Parikh, Independent Director
- Shalini Kamath, Independent Director
- Mrutyunjayarao Kasturi, Independent Director

**(e) Fellow Subsidiary Company (with whom there are transactions)**
- Ambit Capital Private Limited
- Ambit Wealth Private Limited (till May 20, 2022)
- Ambit Investment Advisors Private Limited

**41. Related parties disclosures**

(ii) Transactions carried out with the related parties in (i) above, in ordinary course of business:

*(Amounts in ₹ lakhs)*

| Nature of transactions | Referred in i(b) | Referred in i(c) | Referred in i(d) | Referred in i(e) | Total |
|---|---|---|---|---|---|
| **Income** | | | | | |
| **Referral Fees and other cost recovery** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (11.97) | - | - | - | (11.97) |
| - Ambit Investment Advisors Private Limited | **-** | **-** | **-** | **9.80** | **9.80** |
| | - | - | - | (16.10) | (16.10) |
| **Expenses [see note 39]** | | | | | |
| - Recovered by Ambit Private Limited | **450.53** | **-** | **-** | **-** | **450.53** |
| | (550.48) | - | - | - | (550.48) |
| - Recovered by Ambit Capital Private Limited | | **-** | | **2.78** | **2.78** |
| | | - | | (2.54) | (2.54) |
| **Interest on loan** | | | | | |
| - Ambit Private Limited | **9.32** | **-** | **-** | **-** | **9.32** |
| | (50.82) | - | - | - | (50.82) |
| **Expenditure incurred by related party on behalf of the Company** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (39.80) | - | - | - | (39.80) |
| **Expenditure incurred by company on behalf of related party** | | | | | |
| - Ambit Housing Finance Private Limited | **-** | **0.02** | **-** | **-** | **0.02** |
| | - | (2.12) | - | - | (2.12) |
| **Key Management Personnel Compensation** | | | | | |
| - Employee Benefit Expenses | **-** | **-** | **852.84** | **-** | **852.84** |
| | - | - | (1,172.01) | - | (1,172.01) |
| - Directors Sitting Fees | **-** | **-** | **16.00** | **-** | **16.00** |
| | **-** | **-** | **(33.58)** | **-** | (33.58) |
| **Investment in Equity Shares** | | | | | |
| - Ambit Housing Finance Private Limited | **-** | **-** | **-** | **-** | **-** |
| | - | (2,051.00) | - | - | (2,051.00) |
| **Loan taken** | | | | | |
| - Ambit Private Limited | **5,000.00** | **-** | **-** | **-** | **5,000.00** |
| | (9,700.00) | - | - | - | (9,700.00) |
| **Loan repaid** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (9,700.00) | - | - | - | (9,700.00) |
| **Outstanding at year end** | | | | | |
| **Payable** | | | | | |
| - Ambit Private Limited | **5,119.06** | **-** | **-** | **-** | **5,119.06** |
| | (233.69) | - | - | - | (233.69) |
| - Ambit Capital Private Limited | **-** | **-** | **-** | **0.18** | **0.18** |
| | - | - | - | (2.74) | (2.74) |
| **Receivable** | | | | | |
| Key Management Personnel | **-** | **-** | **-** | **-** | **-** |
| | - | - | - | - | - |
| - Ambit Housing Finance Private Limited | **-** | **-** | **-** | **-** | **-** |
| | - | (2.12) | - | - | (2.12) |
| - Ambit Investment Advisors Private Limited | | | | **1.84** | **1.84** |
| | | | | (17.38) | (17.38) |
| **Guarantees and Collaterals Outstanding Corporate guarantees given by** | | | | | |
| - Ambit Private Limited | **9,430.23** | **-** | **-** | **-** | **9,430.23** |
| | (27,353.95) | - | - | - | (27,353.95) |
| | | | | | |

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year

**42. Employee Benefits:**

**(a) Defined Contribution Plan**

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under 'Employee benefits expense', in note 33 for the year are as under:

*(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Employer's Contribution to Provident Fund | **263.10** | 181.49 |
| Employer's Contribution to Pension Funds | **158.70** | 73.18 |
| Employer's Contribution to ESIC and Labour welfare fund | **7.18** | 3.65 |

Note: The above includes expenses reimbursed to holding company [see note 39]

**(b) Defined Benefit Plan – Gratuity (Unfunded)**

*(Amounts in ₹ lakhs)*

| | | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| | | | |
| **I** | **Reconciliation of defined benefit obligation** | | |
| | Present value of defined benefit obligation as at the beginning of the year | **180.83** | 118.55 |
| | Current service cost | **13.15** | 43.10 |
| | Interest cost | **59.77** | 8.08 |
| | Benefits paid | **(0.55)** | (3.22) |
| | Actuarial losses on obligations - due to change in demographic assumption | **(52.24)** | 0.01 |
| | Actuarial losses on obligations - due to change in financial assumptions | **8.45** | (10.23) |
| | Actuarial (gain)/losses on obligations - due to experience | **12.95** | 24.54 |
| | Present value of defined benefit obligation as at the end of the year | **222.36** | 180.83 |
| | | | |
| **II** | **Net liability recognised in the Balance Sheet** | | |
| | Present value of defined benefit obligation recognised in the Balance Sheet (liability) | **222.36** | 180.83 |
| | | | |
| **III** | **Component of employer's expenses** | | |
| | Current service cost | **13.15** | 43.10 |
| | Interest cost | **59.77** | 8.08 |
| | Total expenses recognised in the Statement of Profit and Loss under note 33 'Employee benefits expense'. | **72.92** | 51.18 |
| | | | |
| | Actuarial losses on obligations - due to change in demographic assumption | **(52.24)** | 0.01 |
| | Actuarial losses on obligations - due to change in financial assumptions | **8.45** | (10.23) |
| | Actuarial (gain)/losses on obligations - due to experience | **12.95** | 24.54 |
| | Total expenses recognised in the Other Comprehensive Income (OCI) | **(30.84)** | 14.32 |
| | | | |
| **IV** | **Actuarial assumptions** | | |
| | Mortality table | **Indian Assured Lives Mortality (2012-14) Urban** | Indian Assured Lives Mortality (2012-14) Urban |
| | Discount rate | **7.20%** | 7.27% |
| | Salary escalation | **7.00%** | 7.00% |
| | Attrition rate: | | |
| | -For 4 years and below | **NA** | 12.00% |
| | -For 5 years and above | **NA** | 1.00% |
| | -Below VP | **34.00%** | NA |
| | -VP and above | **11.22%** | NA |
| | | | |
| **V** | (a) The estimates of rate of escalation in salaries considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. | | |
| | (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations. | | |

**42. Employee Benefits (contd).**

**(b) Defined Benefit Plan – Gratuity (Unfunded) [contd.]**

**(VI) Sensitivity analysis** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| **Increase/(decrease) on present value of defined benefit obligation at the end of the year:** | | |
| 1% increase in rate of discounting | **(7.99)** | (19.98) |
| 1% decrease in rate of discounting | **8.69** | 23.97 |
| 1% increase in rate of salary increase | **8.62** | 23.79 |
| 1% decrease in rate of salary increase | **(8.07)** | (20.20) |
| 1% increase in rate of employee turnover | **(1.98)** | (1.67) |
| 1% decrease in rate of employee turnover | **2.03** | 1.63 |

The above sensitivity analyses is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.
Since the Defined benefit plan is unfunded the expected contribution to post employement benefit plan for the next financial year is Nil.

**(VII) Maturity analysis of the benefit payments: from the employer** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Projected benefits payable in future years from the date of reporting: | | |
| 1st following year | **47.14** | 21.37 |
| 2nd following year | **30.13** | 1.72 |
| 3rd following year | **27.59** | 2.16 |
| 4th following year | **27.99** | 2.48 |
| 5th following year | **26.56** | 2.94 |
| Sum of years 6 to 10 | **94.12** | 92.12 |
| Sum of years 11 and above | **53.92** | 415.67 |

This will include the weighted average duration of the defined benefit obligation.
An entity shall disclose a description of any asset-liability matching strategies used by the plan or the entity, including the use of annuities and other techniques, such as longevity swaps, to manage risk.

**(c) Other long term benefit-compensated absences:** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Amount recognised/(reversed) in respect of compensated absences in the Statement of Profit and Loss under 'Salaries and other allowances' [see note 33]. | **(31.40)** | 31.28 |

**(d)** The information given in (b) and (c) above are as certified by the actuary.

**(e) Risks associated with defined benefit plans**

Gratuity is a defined benefit plan and company is exposed to the following risks:

(i) Interest rate risk:
A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.

(ii) Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Asset Liability Matching (ALM) risk:
The plan faces the ALM risk as to the matching cash flow. The company has to manage pay-out based on pay as you go basis from own funds.

(iv) Mortality risk:
Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**43. Disclosure required under section 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

| **PARTICULARS** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 51.30 | 99.44 |
| b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| **Total** | 51.30 | 99.44 |

**44. Share based payments - Employee Stock Option Scheme:**

1(a) During financial year 2018-2019, the Company has adopted Ambit Finvest Employee Stock Option Scheme 2018 ("ESOP Scheme") for grant of stock options to the eligible employees as approved by the Board of Directors and Shareholders. The scheme will continue till the time of expiry/exercise of all the granted stock options.

The ESOP Scheme was approved by the Board of Directors of the Company at its meeting held on 10th December, 2018 and by the shareholders of the Company at the Extra Ordinary General meeting held on 31st December, 2018. Terms of ESOP Scheme are as indicated below.

Pursuant to the ESOP Scheme, the Company has granted stock options to the eligible employees of the Company under equity settlement scheme against each underlying share of the Company of ₹ 10 each.

The vesting and exercise particulars of the stock options granted are as follows:

| | | | |
|---|---|---|---|
| **Vesting period for options granted** | As part of the vesting criteria, options would accrue on time-basis and/or performance-linked conditions, as determined by the Compensation Committee. All options granted and accrued, would vest as under: | | |
| | **Particulars** | **For the Options that are Granted on or before 28th February, 2019** | **For the Options that are Granted after 28th February, 2019** |
| | First Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on 31st March, 2021. | Accrued options not exceeding 33.33% of granted options on the third anniversary of the date of the issue of Letter of Grant. |
| | Second Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting. | Accrued options not exceeding 33.33% of granted options on the fourth anniversary of the date of the issue of Letter of Grant. |
| | Third Vesting and the quantum | Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting. | Accrued options not exceeding 33.34% of granted options on the fifth anniversary of the date of the issue of Letter of Grant. |
| **Exercise period** | Within 3 years from each vesting date | | |

The Company has followed the fair value based method of accounting in accordance with Ind AS 102 'Share based payments' for stock options granted.

All options granted under the ESOP Scheme have been valued using an Option Pricing Model (Black Scholes Model). The main inputs to the model, the fair value of stock options, total charge and the compensation expense recognised are as under:

| | |
|---|---|
| Fair Value of each Equity Shares as per independent valuation | Rs. 306 (for options granted during the financial year ended 31st March, 2019)<br>Rs. 306 (for options granted during the financial year ended 31st March, 2020)<br>Rs. 530 (for options granted during the financial year ended 31st March, 2022)<br>Rs. 531 (for options granted during the financial year ended 31st March, 2023) |
| Lapse (Forfeiture) Rate [estimated] | 7.38% per annum |
| Volatility | Volatility is considered between 17.85% to 21.93% |
| Risk Free Rate | 8% per annum |
| Expected Dividends | Nil |
| Average Exercise period | 1.5 years |
| Time to Maturity (no. of days) | Vesting period + Average exercise period for each graded vesting |
| Weighted average fair value of options granted | Rs. 180.47 (previous year: Rs. 160.02) |
| Total charge over vesting period aggregating | Rs. 735.09 lakhs (previous year: Rs. 416.88 lakhs) |
| Charge for the year aggregating (amount in ₹ lakhs) | Rs. 160.52 lakhs (previous year: Rs. 97.09 lakhs) |
| Total charge up to the end of the year for ESOP Scheme aggregating (amount in ₹ lakhs) | Rs. 319.71 lakhs (previous year: Rs. 159.19 lakhs) |

**44. Share based payments - Employee Stock Option Scheme: (contd).**

1(b) The particulars of number of options granted, lapsed, exercised, outstanding, exercisable at the year end and weighted average exercise price are as follows:

*(Amounts in ₹ lakhs)*

| Particulars | For the year ended 31st March, 2023 | | | For the year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) |
| Outstanding as at the beginning of the year | **3,51,000** | **491.75** | **2.34** | 1,35,000 | 306.00 | 1.53 |
| Granted during the year | **1,87,500** | **531.00** | **-** | 2,53,500 | 530.00 | - |
| Lapsed during the year | **21,667** | **461.54** | **-** | 35,833 | 321.63 | - |
| Exercised during the year | **3,333** | **306.00** | **-** | 1,667 | 306.00 | - |
| Outstanding at the end of the year | **5,13,500** | **491.09** | **2.18** | 3,51,000 | 491.75 | 2.34 |
| Exercisable at the end of the year | **53,332** | **306.00** | **-** | 23,333 | 306.00 | - |

Range of exercise price for the grant as on 31st March, 2023 is Rs. 306-Rs. 531 (As at 31st March, 2022- Rs. 306-Rs. 530)

**44. Share based payments - Employee Stock Option Scheme:**

2(a) Pursuant to the Scheme of Amalgamation, erstwhile Ambit Holdings Private Limited ("AHPL") was merged into the Ambit Private Limited, the holding Company with effect from 1st April, 2015. The erstwhile AHPL had long term incentive plans i.e.Ambit LTIP 2009 and Ambit LTIP 2011 for grant of stock options to the eligible employees as approved by the Board of Directors and Shareholders of the erstwhile AHPL. These schemes continue till the time of expiry/exercise of all the earlier granted stock options.

Pursuant to Ambit LTIP 2009 and Ambit LTIP 2011, the erstwhile AHPL had granted stock options to the eligible employees of the Company and its other subsidiaries, under equity settlement scheme against each underlying share of the erstwhile AHPL of ₹5 each.

In accordance with the Scheme of Amalgamation, the ESOP Holders of erstwhile AHPL were issued ESOPs in the Company based on the exchange ratio on the same terms and conditions.

The vesting and exercise particulars of the stock options granted are as follows:

| **Particulars** | **AMBIT LTIP 2009/ LTIP 2011** | |
|---|---|---|
| Vesting period for options granted (see note below) | As part of the vesting criteria, options would accrue on time-basis and/or performance-linked conditions, as determined by the Compensation Committee. | |
| | All options granted and accrued and which have been Eligible for Vesting ("EFV") as on 31st March, 2014, would vest as under: | All options granted and accrued and which have not been EFV as on 31st March, 2014, would vest as under: |
| First Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on earlier of 31st March, 2016 or the event of Initial Public Offer of the Shares of the Company resulting in a listing of the Shares on any recognised Stock Exchange. | Accrued options not exceeding 50% of granted options on immediately they become EFV. |
| Second Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting. | Accrued options not exceeding 50% of granted options on the first anniversary of the First Vesting. |
| Third Vesting and the quantum | Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting. | - |
| Exercise Period | Within 3 years from each vesting date except for the grants whose exercise period expires on or before 31st March, 2022, the exercise period is extended to 31st March,2022. | |

The Company follows fair value based method of accounting for stock options granted in accordance with Ind AS 102 'Share based payments'.

Note:

During thr previous financial year 2021-22, employee stock options under Ambit LTIP 2009 and/or Ambit LTIP 2011 which were vesting during financial year 2022-23, were given option of aceelerated vesting, provided the options are exercised by March 25, 2022.

**44. Share based payments - Employee Stock Option Scheme: (contd).**

2(b) The particulars of number of options granted, lapsed, exercised, outstanding, exercisable at the year end and weighted average exercise price are as follows:

*(Amounts in ₹ lakhs)*

| **Particulars** | **For the year ended 31st March, 2023** | | | For the year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price ₹** | **Weighted average remaining contractual life (years)** | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) |
| **Ambit LTIP 2009/ Ambit LTIP 2011** | | | | | | |
| Outstanding as at the beginning of the year | **38,250** | **1,216.64** | **1.53** | 53,501 | 1,199.04 | 1.06 |
| Granted during the year | **-** | **-** | **-** | 1,500 | 1,675.00 | - |
| Lapsed during the year | **1,500** | **1,675.00** | **-** | - | - | - |
| Exercised during the year | **-** | **-** | **-** | 16,751 | 1,201.46 | - |
| Outstanding at the end of the year | **36,750** | **1,197.93** | **0.60** | 38,250 | 1,216.64 | 1.53 |
| Exercisable at the end of the year | **19,250** | **1,027.88** | **-** | 17,071 | 990.24 | - |

**45. 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 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **Financial Assets** | | | | | | |
| (a) Cash and cash equivalents | 5,900.73 | - | 5,900.73 | 9,937.37 | - | 9,937.37 |
| (b) Bank balance other than cash and cash equivalents | 5,575.84 | 487.87 | 6,063.71 | 3,387.81 | 2,000.00 | 5,387.81 |
| (c) Trade Receivables | 496.92 | - | 496.92 | - | - | - |
| (d) Loans | 76,963.71 | 1,46,436.85 | 2,23,400.56 | 41,798.18 | 88,230.29 | 1,30,028.47 |
| (e) Investments | 9,144.02 | 3,005.05 | 12,149.07 | 16,497.31 | 10,617.86 | 27,115.17 |
| (f) Other financial assets | 3,646.12 | 1,748.45 | 5,394.57 | 866.36 | 867.24 | 1,733.60 |
| **Non-financial Assets** | | | | | | |
| (a) Current tax assets (net) | - | 1,975.87 | 1,975.87 | - | 683.11 | 683.11 |
| (b) Deferred tax assets (net) | - | 218.54 | 218.54 | - | 528.15 | 528.15 |
| (c) Property, Plant and Equipment | - | 951.52 | 951.52 | - | 561.96 | 561.96 |
| (d) Goodwill | - | 4,736.96 | 4,736.96 | - | 2,436.68 | 2,436.68 |
| (e) Other Intangible assets | - | 662.83 | 662.83 | - | 167.04 | 167.04 |
| (f) Intangible Assest under Development | - | 63.79 | 63.79 | - | - | - |
| (g) Right of use asset | 768.54 | 1,671.49 | 2,440.03 | - | 1,601.51 | 1,601.51 |
| (h) Other non-financial assets | 628.00 | 622.68 | 1,250.68 | 883.48 | 288.85 | 1,172.33 |
| **TOTAL ASSETS** | 1,03,123.88 | 1,62,581.90 | 2,65,705.78 | 73,370.51 | 1,07,982.69 | 1,81,353.20 |
| **LIABILITIES** | | | | | | |
| **Financial Liabilities** | | | | | | |
| (a) Derivative Financials Instruments | 89.21 | - | 89.21 | - | - | - |
| (b) Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 51.30 | - | 51.30 | 99.44 | - | 99.44 |
| (ii) enterprises other than micro enterprises and small enterprises | 3,793.21 | - | 3,793.21 | 2,989.85 | - | 2,989.85 |
| (c) Debt securities | 6,567.06 | 23,384.56 | 29,951.62 | 5,359.49 | 11,665.05 | 17,024.54 |
| (d) Borrowings (other than debt securities) | 56,043.63 | 93,147.27 | 1,49,190.90 | 27,822.05 | 61,278.75 | 89,100.80 |
| (e) Lease liabilities | 742.64 | 1,816.51 | 2,559.15 | 438.55 | 1,265.88 | 1,704.43 |
| (f) Other financial liabilities | 8,645.46 | 199.30 | 8,844.76 | 2,930.36 | - | 2,930.36 |
| **Non-financial Liabilities** | | | | | | |
| (a) Current tax liabilities (net) | 59.33 | - | 59.33 | 73.67 | - | 73.67 |
| (b) Provisions | 89.95 | 204.65 | 294.60 | 39.12 | 225.81 | 264.93 |
| (c) Other non-financial liabilities | 568.58 | - | 568.58 | 363.18 | - | 363.18 |
| **TOTAL LIABILITIES** | 76,650.37 | 1,18,752.29 | 1,95,402.66 | 40,115.71 | 74,435.49 | 1,14,551.20 |
| **NET TOTAL ASSETS** | 26,473.51 | 43,829.61 | 70,303.12 | 33,254.80 | 33,547.20 | 66,802.00 |

**46. Leases:**

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases generally are with a periodicity of one to ten years. Leases include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

Righ-of-use assets and Lease liabilities are presented separately on the face of the balance sheet.

Information about leases for which the Company is a lessee is presented below.

**(I). Right-of-use assets:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 1,601.51 | 1,181.12 |
| Additions during the year | 1,754.37 | 933.37 |
| Deletion during the year | (306.09) | (26.39) |
| Depreciation charge for the year | (609.76) | (486.59) |
| **Closing balance** | **2,440.03** | **1,601.51** |

**(II). Movement of Lease liabilities:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 1,704.43 | 1,231.24 |
| Additions during the year | 1,784.74 | 913.01 |
| Deletion during the year | (404.17) | (28.47) |
| Finance cost | 186.18 | 131.97 |
| Payment of lease liabilities | (712.03) | (543.32) |
| **Closing balance** | **2,559.15** | **1,704.43** |

**(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Less than one years | 742.65 | 434.32 |
| Between one and three years | 1,654.34 | 1,119.23 |
| More than five years | 162.16 | 150.88 |
| **Total** | **2,559.15** | **1,704.43** |

**(IV). Amounts recognized in the Statement of Profit and Loss:**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Short-term lease rent expense | 712.03 | 543.32 |
| Interest on lease liabilities | 186.18 | 131.97 |
| Depreciation of ROU asset | 609.76 | 486.59 |
| Gain/(loss) on termination of leases | 10.80 | 2.08 |

**(V). Amounts recognised In statement of cash flows:**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Total cash outflow for leases | 712.03 | 543.32 |

1 Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

**47. Revenue from contracts with customers**

**(a) Below table provides disaggregation of the Company's revenue from contracts with customers**

*(Amounts in ₹ lakhs)*

| | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| i. | **Type of service** | | |
| | **- Service Charge** | **888.54** | **86.14** |
| | **Total** | **888.54** | **86.14** |
| | | | |
| ii. | **Primary geographical market:** | | |
| | **- Outside India** | **-** | **-** |
| | **- India** | **888.54** | **86.14** |
| | **Total revenue from contracts with customers** | **888.54** | **86.14** |
| | | | |
| iii. | **Timing of revenue recognition** | | |
| | **- at a point in time upon rendering services** | **888.54** | **86.14** |
| | **- over period of time upon rendering services** | **-** | **-** |
| | **Total** | **888.54** | **86.14** |
| | | | |
| iv. | **Trade receivables towards contracts with customers** | | |
| | **- Opening Balance** | **-** | **-** |
| | **- Closing Balance** | **496.92** | **-** |
| | | | |
| v. | **Impairment on trade receivables towards contracts with customers** | **-** | **-** |

**(b) Reconciliation between revenue as per IndAS 108 Segment Reporting and revenue as per IndAS 115 Revenue from contract with customers**

The Company is engaged primarily in the business of financing activity and accordingly there are no separate reportable segment as per Ind AS 108 dealing with Operating Segment.

**48. Reconciliation of effective tax rate**

*(Amounts in ₹ lakhs)*

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Profit before tax** | **3,586.72** | 3,439.11 |
| Company's domestic tax rate | **25.17%** | 25.17% |
| Tax charge using Company's Statutory rate | **902.71** | 865.56 |
| **Tax effect of:** | | |
| Expenses disallowed for tax purpose | **14.27** | 14.19 |
| Expenses allowed for tax purpose | **-** | (0.36) |
| Deferred tax asset on goodwill reversed | **-** | - |
| Interest on income tax | **-** | - |
| Short/(excess) provision in respect of earlier years | **-** | - |
| Remeasurements of the defined benefit plans | **(7.76)** | 3.60 |
| Others * | **(629.82)** | (22.10) |
| **Total Income tax expense** | **279.40** | 860.89 |
| | | |
| **Tax expenses as per Statement of profit and loss** | **279.40** | 860.89 |

*** Pursuant to the Business Transfer Agreement with Digikredit Finance Limited the Company had acquired loan assets at their gross value along with the provisions for doubtful loans (Refer Note 52). The Company in accordance with its policy has during the year written off the doubtful loan assets that were accounted on the date of transfer, at fair value as per Ind AS 103 Business Combinations and also correspondingly reversed the provision for doubtful loans. Consequently the same has resulted in permanent difference between tax income and book income amounting to Rs. 2,502.43 lakhs.**

**49. The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Deferred tax assets / (liabilities):** | | |
| Unamortised fees on Loans | **109.16** | 133.14 |
| Unamortised fees on Borrowings | **(298.78)** | (185.55) |
| Unamortised fees on Investments | **14.41** | - |
| Recognition of lease asset and right to use asset | **38.69** | 25.91 |
| Measurement of financial asset at fair value through profit or loss | **(852.80)** | (349.68) |
| Property, plant and equipment and intangible asset | **21.24** | 25.67 |
| Remeasurement of the defined benefit plans | **66.70** | 64.14 |
| Impairment on financial instruments | **1,114.47** | 814.52 |
| Disallowance u/s 43b | **5.45** | - |
| | | |
| **Net deferred tax asset** | **218.54** | 528.15 |

**50. Movement in deferred tax balances**

Movement in deferred tax balances for the year ended 31st March, 2023

*(Amounts in ₹ lakhs)*

| | Net balance 1st April, 2022 | Recognised in profit or loss | Recognised in OCI | Net balance 31st March, 2023 |
|---|---|---|---|---|
| **Deferred tax asset / (liabilities):** | | | | |
| Unamortised fees on Loans | 133.14 | (23.98) | - | **109.16** |
| Unamortised fees on Borrowings | (185.55) | (113.23) | - | **(298.78)** |
| Unamortised fees on Investments | - | 14.41 | - | **14.41** |
| Recognition of lease asset and right to use asset | 25.91 | 12.78 | | **38.69** |
| Measurement of financial asset at fair value through profit or loss | (349.68) | (495.36) | (7.76) | **(852.80)** |
| Property, plant and equipment and intangible asset | 25.67 | (4.43) | - | **21.24** |
| Remeasurement of the defined benefit plans | 64.14 | 2.56 | - | **66.70** |
| Impairment on financial instruments | 814.52 | 299.95 | - | **1,114.47** |
| Disallowance u/s 43b | - | 5.45 | - | **5.45** |
| **Net deferred tax asset** | **528.15** | **(301.85)** | **(7.76)** | **218.54** |

**Movement in deferred tax balances for the year ended 31st March, 2022**

*(Amounts in ₹ lakhs)*

| | Net balance 1st April, 2021 | Recognised in profit or loss | Recognised in OCI | Net balance 31st March, 2022 |
|---|---|---|---|---|
| **Deferred tax asset / (liabilities):** | | | | |
| Unamortised fees on Loans | 55.83 | 77.31 | - | 133.14 |
| Unamortised fees on Borrowings | (122.98) | (62.57) | - | (185.55) |
| Recognition of lease asset and right to use asset | 26.36 | (0.45) | | 25.91 |
| Measurement of financial asset at fair value through profit or loss | - | (353.28) | 3.60 | (349.68) |
| Property, plant and equipment and intangible asset | 21.62 | 4.05 | - | 25.67 |
| Remeasurement of the defined benefit plans | 43.88 | 20.26 | - | 64.14 |
| Impairment on financial instruments | 860.44 | (45.92) | - | 814.52 |
| | | | | |
| **Net deferred tax asset/(liabilities)** | **885.14** | **(360.61)** | **3.60** | **528.15** |

## 51. Financial instruments

### 51.01 Capital Management

The Company's objectives when managing capital are:

a. to ensure Company's ability to continue as a going concern.
b. to provide adequate return to shareholders.

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's management reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

### 51.02 Categories of financial instruments and Fair Value Hierarchy

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

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

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

*(Amounts in ₹ lakhs)*

| Particulars | Fair Value Hierarchy (Level) | As at 31st March, 2023 Carrying Value | As at 31st March, 2023 Fair Value | As at 31st March, 2022 Carrying Value | As at 31st March, 2022 Fair Value |
|---|---|---|---|---|---|
| **(I) Financial assets** | | | | | |
| **Measured at fair value through profit or loss** | | | | | |
| (a) Investments in Non convertible Debentures | 1 | **-** | **-** | 6,017.08 | 6,017.08 |
| **Measured at amortised cost** | | | | | |
| (a) Cash and cash equivalents | | **5,900.80** | **5,900.80** | 9,937.37 | 9,937.37 |
| (b) Bank balance other than cash and cash equivalents | | **6,066.68** | **6,066.68** | 5,387.81 | 5,387.81 |
| (c) Trade Receivables | | **496.92** | **496.92** | - | - |
| (d) Loans | 3 | **2,27,961.86** | **2,32,483.55** | 1,33,266.39 | 1,34,700.23 |
| (e) Investments | 3 | **10,110.62** | **10,087.70** | 19,106.35 | 19,147.22 |
| (f) Other financial assets | | **5,394.57** | **5,394.57** | 1,733.60 | 1,733.60 |
| **(II) Financial liabilities** | | | | | |
| **Measured at fair value through profit & loss** | | | | | |
| (a) Derivative Financials Instruments | 1 | **89.21** | **89.21** | - | - |
| **Measured at amortised cost** | | | | | |
| (a) Trade payables | | **3,844.51** | **3,844.51** | 3,089.29 | 3,089.29 |
| (b) Debt securities | 3 | **29,951.62** | **30,614.63** | 17,024.54 | 17,282.88 |
| (c) Borrowings (other than debt securities) | 3 | **1,49,190.90** | **1,51,001.09** | 89,100.80 | 90,390.06 |
| (d) Lease liabilities | 3 | **2,559.15** | **2,559.15** | 1,704.43 | 1,704.43 |
| (e) Other Financial Liabilities | | **8,844.76** | **8,844.76** | 2,930.36 | 2,930.36 |

The management has assessed that the carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets, derivatives, trade payables, lease liabilities and other financial liabilities are reasonable approximation to their fair value. Cash and cash equivalents, Advances and Investments are excluding ECL provision.

### 51.03 Valuation Process

The Company has valued the mutual fund and market linked debentures at FVTPL referring the net asset value as on the reporting date.

### 51.04 Financial risk management objectives

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

i. Market risk ;
ii. Interest rate risk;
iii. Credit risk ; and
iv. Liquidity risk

**(i) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is domiciled in India and has its revenues and other transactions in its functional currency i.e. Rupees. Accordingly the Company is not exposed to any currency risk. Also the Company does not hold any equity investments in listed entities, accordingly the Company is not exposed to any equity price risk.

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to variable rate borrowings from financial institutions. The Company's fixed rate borrowings from are carried at amortised cost and are not subject to interest rate risk since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

*(Amounts in ₹ lakhs)*

| Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
|---|---|---|
| Fixed rate borrowings | 45,424.31 | 24,739.37 |
| Variable rate borrowings | 1,33,718.21 | 81,385.97 |
| **Total Borrowings** | 1,79,142.52 | 1,06,125.34 |

**Interest rate sensitivity - variable rate borrowings**

The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

*(Amounts in ₹ lakhs)*

| Particulars | Impact on Profit or Loss | | Impact on Equity | |
|---|---|---|---|---|
| | Year ended 31st March, 2023 | Year ended 31st March, 2022 | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
| Interest Rate increase by 100bps* | (1,325.54) | - | (991.93) | - |
| Interest Rate increase by 100bps* | 1,325.54 | - | (991.93) | - |
| Interest Rate increase by 50bps* | - | (406.93) | - | (304.51) |
| Interest Rate decrease by 50bps* | - | 406.93 | - | (304.51) |

* holding all other variables constant

**(iii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers and investment debt securities. The Company's policies for computation of expected credit loss are set out below:

**1. Expected credit Loss Methodology for loan portfolio**

The objective is to have sound methodology for computation of Expected Credit Losses (ECL) that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company including the parameters and assumption.

In formulating the methodology, the Management has considered the requirements of Para 5.5. and Appendix B – Para 5.5 of Ind AS 109. As per para 5.5.17 of Ind AS 109 on measurement of expected credit loss,

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The methodology outlined based on Ind AS 109 is a three stage approach for the recognition of impairment losses. The three stages of the model are based on the changes in the credit quality of the financial instrument since inception and the measurement of expected credit loss (ECL) for these assets is dependent on the stage classification as of the reporting date. Ind AS 109 also permits cash flow approach.

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(iii) Credit risk (contd.)**

**2. Portfolio Segmentation**

For the purpose of ECL computation, entire loan portfolio is segmented into homogenous risk segments. Common factors for segmentation may include asset classes, internal rating grade, size, geography, product, etc.

The various loan products include:

(i) Loan against property
(ii) SME Unsecured
(iii) Working capital loans
(iv) NBFC Loans
(v) Margin Funding
(vi) Business Loans / Structured Loans
(vii) Used Commercial Vehicle
(viii) Supply chain receivable

**3. Stage wise Classification of Exposures**

Financial assets shall be classified into appropriate stages through the following three stages based on the changes in credit quality since initial recognition: Default shall be determined in a manner consistent with that used for internal credit risk management.

Stage-1: The Company classifies all advances up to 0-30 days default under this category.

Stage-2: Financial assets past due for 31 to 90 days are classified under this stage.

Stage-3: 91 days Past Due is considered as default for classifying a financial instrument as credit impaired. Such loans are classified as credit impaired until all the overdue is repaid and DPD is zero. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

**4. 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. 12 month PD shall be derived based on historical data, default history based on credit rating and other method as suitable. Life time PD for Stage 2 Loans is derived based on survival formula which is (1 – (Probability of surviving in year 1) ^ remaining tenure).

**(i) SME Loans:**

As the SME division has a operating history of less than five years, the Company had appointed an independent agency for providing assistance and guidelines for the ECL calculation. Basis the guidance of the agency the broad methodology adopted for the purpose arriving at the Probability of Default for the different product of SME division is as follows

a. Stage 1: PD computed basis the 12 month forward looking data
b. Stage 2:Life time PD is computed using Vasick single factor model
c. Stage 3: PD of 100% considered for stage 3 cases

**(ii) Structured Finance Loans:**

In order to ascertain the ECL, the management has considered the Default Study Report by a credit rating agency.

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(iii) Credit risk (contd.)**

**4. Probability of Default (PD) (contd.)**

**4.1 Loss Given Default (LGD)**

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, including from the realization of any collateral. It is usually expressed as a percentage of the Exposure at Default (EAD).

**4.2 Exposure at Default (EAD)**

The Exposure at Default is credit exposure of the Company. It is an amount that the Company is exposed to when a loan defaults. This includes the undrawn commitments to the extent the Company is obligated to honour it. EAD is computed as sum of principal outstanding (including overdue amount), interest accrued (due and overdue), undrawn commitments (expected drawdowns on committed facilities), other charges less any advance received less the value of collaterals after considering necessary haircuts, as applicable.

**5. Expected Credit Losses (ECL) approach**

| Particulars | Stage 1 (Performing) | Stage 2 (Under-performing) | Stage 3 (Non-performing) |
|---|---|---|---|
| ECL model | PD / LGD Model | PD / LGD Model | PD / LGD Model |
| ECL | 12 months ECL | Life time ECL | 100% |
| ECL Computation | (PD * LGD * EAD) | (PD * LGD * EAD) | (PD * LGD * EAD) |

**Notes:**

i. Stage wise classification of exposure into Stage 1, Stage 2 and Stage 3
ii. PD – Probability of Default
iii. LGD – Loss Given Default
iv. EAD – Exposure At Default

The ECL allowance 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.

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

Both Lifetime ECLs and 12-month ECLs are calculated either on an individual basis or on a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Necessary adjustments are done while calculating ECL for the cases covered under following:
First loss Default Guarantee (FLDG)
Emergency Credit Line guarantee scheme (ECLGS)
Credit Guarantee Funds Trust for Micro and Small Enterprises (CGTMSE)
Credit Guarantee Fund for Micro Units (CGFMU)

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(iii) Credit risk (contd.)**

**6. Cash and cash equivalents**

The Company held cash and cash equivalents with credit worthy banks of ₹ 5900.73 lakhs, ₹ 9937.37 lakhs as at 31st March, 2023 and 31st March, 2022 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Other financial assets measured at amortised cost includes loans to group companies and others, security deposits, etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis. The Company does not perceive any credit risk related to loan given to group companies since these will have an additional financial support from promoters as and when necessary.

The Company has held its surplus funds in fixed deposits and investments. Considering the fixed deposits are investments are in short term nature, the credit worthiness of the institutions where such fixed deposits and investments are held and also their credit rating the management considers that there is no risk of any loss from deterioration in their value.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has access to funds from banks and financial institutions. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Exposure to liquidity risk**

The below table provides details of the undiscounted cash flow (principal and interest) of financial liabilities of the Company based on the remaining contractual maturity :

*(Amounts in ₹ lakhs)*

| | Particulars | 1 year or less | 1-2 years | 2-5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|---|
| **As at 31st March, 2023** | | | | | | | |
| **(a)** | **Derivative Financials Instruments** | **89.21** | **-** | **-** | **-** | **89.21** | **89.21** |
| **(b)** | **Trade payables** | **3,844.51** | **-** | **-** | **-** | **3,844.51** | **3,844.51** |
| **(c)** | **Debt securities** | **8,698.53** | **14,892.16** | **6,902.79** | **5,272.74** | **35,766.22** | **29,951.62** |
| **(d)** | **Borrowings (other than debt securities)** | **67,941.23** | **49,569.27** | **55,083.30** | **-** | **1,72,593.80** | **1,49,190.90** |
| **(e)** | **Lease liabilities** | **929.65** | **804.87** | **1,119.92** | **54.88** | **2,909.32** | **2,559.15** |
| **(f)** | **Other financial liabilities** | **8,645.46** | **199.30** | **-** | **-** | **8,844.76** | **8,844.76** |
| | | | | | | | |
| **As at 31st March, 2022** | | | | | | | |
| (a) | Derivative Financials Instruments | - | - | - | - | - | - |
| (b) | Trade payables | 2,796.96 | - | - | - | 2,796.96 | 2,796.96 |
| (c) | Debt securities | 5,747.19 | 10,088.12 | 3,277.80 | - | 19,113.11 | 17,024.54 |
| (d) | Borrowings (other than debt securities) | 34,749.61 | 33,728.96 | 41,587.39 | - | 1,10,065.96 | 89,100.80 |
| (e) | Lease liabilities | 573.68 | 582.04 | 808.45 | 68.97 | 2,033.14 | 1,704.43 |
| (f) | Other financial liabilities | 3,222.69 | - | - | - | 3,222.69 | 3,222.69 |

**Financing arrangements**

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

*(Amounts in ₹ lakhs)*

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| Floating rate term loan/Cash credit | **3,090.51** | 8,725.36 |
| Expiring within one year | **3,090.51** | 6,225.36 |
| Expiring beyond one year | **-** | 2,500.00 |

**52. Portfolio purchased during the year:**

On December 26, 2022, Ambit Finvest Private Limited (the "Company") has entered into a Business Transfer Agreement for the acquisition of certain lines of businesses pertaining to business loans to micro, small and medium sized enterprises of Digikredit Finance Private Limited as a "going concern" on a slump sale basis. Acquisition is accounted using the fair value as on the date of acquisition in accordance with requirement of Ind AS 103 "Business Combination".

Digikredit Finance Private Limited carrying on operations under brand name namely "SMECorner", is one of India's leading modern-age fintech companies.

The company has acquired the assets of SME Corner along with their 18 branches, 291 employees, business tie ups and their proprietary online platform, which would strengthen Company's digital lending and co-lending capabilities.

Purchase price allocation is as follows:

| **Particulars** | **Amounts (Rs. in lakhs)** |
|---|---|
| **Assets** | |
| Loan assets | 8,434.92 |
| Other assets | 1,246.65 |
| **Total Assets** | **9,681.57** |
| | |
| **Liabilities** | |
| Borrowings & Other Liabilities | (10,841.70) |
| Other Liabilities | (305.15) |
| **Total Liabilities** | **(11,146.85)** |
| | |
| **Net Asset acquired (A)** | **(1,465.28)** |
| | |
| **Purchase Consideration (B)** | **835.00** |
| | |
| **Goodwill attributed (A - B)** | **2,300.28** |

The Goodwill that generated represents value of potential gain from various business tie ups, digital sourcing contracts, in house technology development capabilities and physical infrastructure.

**53. Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th march 2021:**

| Ratio | Numerator | Denominator | 31st March 2023 | 31st March 2022 | Variance % | Reasons for variance (if above 25%) |
|---|---|---|---|---|---|---|
| | | | | | | |
| (a) Capital to risk weighted assets ratio (CRAR) | Total Capital Funds | Total risk weighted assets/ exposures | 27.61% | 38.45% | -28.20% | Increase in Loans and advances |
| Tier I CRAR | Aggregate Tier I Capital (Net owned fund) | Total risk weighted assets/ exposures | 24.55% | 37.36% | -34.29% | |
| Tier II CRAR | Aggregate Tier II Capital | Total risk weighted assets/ exposures | 3.06% | 1.09% | 180.85% | Increase in subordinated debt |
| (b) Liquidity Coverage Ratio (LCR) | | | NA | NA | | |

Note: Ratios other than disclosed above are not applicable hence not provided

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,**

**(i) Capital to Risk Asset Ratio ("CRAR")**

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| CRAR (%) | **27.61%** | 38.45% |
| CRAR – Tier I capital (%) | **24.55%** | 37.36% |
| CRAR – Tier II capital (%) | **3.06%** | 1.09% |
| Amount of Subordinated debt raised as Tier - II capital | **-** | - |
| Amount raised by issue of perpetual debt instruments | **-** | - |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

**(ii) Movement of Non Performing Assets (NPAs)**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Net NPAs to Net Advances (%)** | **1.33%** | 1.77% |
| | | |
| **Movement of NPAs (Gross)** | | |
| Opening balance | **3,784.71** | 2,650.90 |
| Additions during the year | **6,095.18** | 4,566.84 |
| Reductions during the year | **4,768.57** | 3,433.03 |
| Closing balance | **5,111.32** | 3,784.71 |
| | | |
| **Movement of NPAs (Net)** | | |
| Opening balance | **2,331.96** | 1,666.23 |
| Additions during the year | **4,189.06** | 3,113.28 |
| Reductions during the year | **3,526.75** | 2,447.55 |
| Closing balance | **2,994.27** | 2,331.96 |
| | | |
| **Movement of provisions for NPAs (excluding provisions on standard assets)** | | |
| Opening balance | **1,452.75** | 984.67 |
| Provisions made during the year | **1,906.12** | 1,453.56 |
| Write-off of excess provisions | **1,241.82** | 985.48 |
| Closing balance | **2,117.05** | 1,452.75 |

**(iii) Sector-wise NPAs**

**Percentage of NPAs to Total Advances in that sector**

| **Sectors** | As at 31st March, 2023 % | As at 31st March, 2022 % |
|---|---|---|
| Agriculture & allied activities | **1.00%** | 0.39% |
| MSME | **2.97%** | 3.59% |
| Corporate borrowers | **-** | - |
| Services | **0.53%** | 1.20% |
| Unsecured personal loans | **-** | - |
| Auto loans | **0.66%** | 0.56% |
| Other loans | **-** | - |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

**(iv) Maturity pattern of certain items of assets and liabilities for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | 0 day to 7 days | 8 days to 14 days | 15 Upto 1 month | Over 1 month upto 2 months | Over 2 months upto 3 months | Over 3 months upto 6 months | Over 6 months upto 1 year | Over 1 year upto 3 year | Over 3 year upto 5 year | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Advances# | **10,019.86** | **427.71** | **1,767.76** | **6,042.88** | **6,048.05** | **18,253.59** | **34,403.86** | **78,097.66** | **22,339.98** | **50,560.51** | **2,27,961.86** |
| | (3,920.43) | (534.48) | (123.37) | (3,079.40) | (3,089.26) | (10,058.40) | (20,992.840) | (42,945.04) | (14,454.33) | (34,068.84) | (1,33,266.39) |
| Investments | - | - | **1,795.33** | **1,669.25** | **1,220.66** | **2,312.73** | **2,146.05** | **966.61** | - | **2,051.00** | **12,161.62** |
| | - | (1,056.12) | (919.50) | (2,045.65) | (2,063.31) | (5,091.98) | (5,320.74) | (8,342.63) | (283.49) | (2,051.00) | (27,174.43) |
| Borrowings | **2,574.55** | **376.45** | **1,121.60** | **1,713.23** | **13,832.96** | **12,609.96** | **30,381.93** | **92,923.01** | **18,608.83** | **5,000.00** | **1,79,142.52** |
| | (1,417) | (-) | (716.10) | (644.45) | (9,667.75) | (6,379.56) | (14,356.44) | (56,225.06) | (16,718.74) | - | (1,06,125.34) |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year

(ii) Advances & Investments are excluding ECL provision.

# Represents interest bearing loans, inter corporate deposits and interest accrued thereon.

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

**(v) Schedule to the balance sheet**

**Liabilities:** *(Amounts in ₹ lakhs)*

| | | Amount outstanding | Amount overdue |
|---|---|---|---|
| **(1)** | **Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:** | | |
| (a) | Debentures (other than falling within the meaning of public deposits*) | | |
| | (i) Secured | 18,350.71 | - |
| | (ii) Unsecured | 5,183.84 | - |
| (b) | Deferred credits | - | - |
| (c) | Term loans | 1,42,132.93 | - |
| (d) | Inter-corporate loans and borrowing | 5,000.00 | - |
| (e) | Commercial paper | 5,885.24 | - |
| (f) | Public deposits* | - | - |
| (g) | Other loans | 2,589.80 | - |
| | ** Please see note 1 below* | | |
| **(2)** | **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :** | | |
| | (a) In the form of unsecured debentures | - | - |
| | (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 | - | - |
| | ** Please see note 1 below* | | |

**Assets:** *(Amounts in ₹ lakhs)*

| | | Amount outstanding |
|---|---|---|
| **(3)** | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below, net of provisions]:** | |
| | (a) Secured | 1,47,923.43 |
| | (b) Unsecured | 75,477.13 |
| **(4)** | **Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:** | |
| | (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 asset financing activities: | |
| | (a) Loans where assets have been repossessed | - |
| | (b) Loans other than (a) above | - |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

**(v) Schedule to the balance sheet (contd.)**

| | | | | |
|---|---|---|---|---|
| **(5)** | **Break-up of Investments:** | | | |
| | **Current Investments** | | | |
| | 1. | Quoted | | |
| | (i) | Shares | | |
| | | (a) | Equity | - |
| | | (b) | Preference | - |
| | (ii) | Debentures and Bonds | | - |
| | (iii) | Units of mutual funds | | - |
| | (iv) | Government Securities | | - |
| | (v) | Others | | - |
| | 2. | Unquoted | | |
| | | (i) | Shares | |
| | | | (a) Equity | - |
| | | | (b) Preference | - |
| | | (ii) | Debentures and Bonds | - |
| | | (iii) | Units of mutual funds | - |
| | | (iv) | Government Securities | - |
| | | (v) | Others | - |
| | **Long Term investments** | | | |
| | 1. | Quoted | | |
| | | (i) | Share | |
| | | | (a) Equity | - |
| | | | (b) Preference | - |
| | | (ii) | Debentures and Bonds | - |
| | | (iii) | Units of mutual funds | - |
| | | (iv) | Government Securities | - |
| | | (v) | Others | - |
| | 2. | Unquoted | | |
| | | (i) | Shares | |
| | | | (a) Equity | **2,051.00** |
| | | | (b) Preference | - |
| | | (ii) | Debentures and Bonds | - |
| | | (iii) | Units of mutual funds | - |
| | | (iv) | Government Securities | - |
| | | (v) | Others * | **11,380.29** |

* Investments excludes ECL provision and PTC of a pool, which is acquired by the company & hence deducted from investments and debt securities

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

**(v) Schedule to the balance sheet (contd.)**

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**

Please see note 2 below.

| 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 | 1,47,923.43 | 75,477.13 | 2,23,400.56 |
| **Total** | **1,47,923.43** | **75,477.13** | **2,23,400.56** |

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

Please see note 3 below

| Category | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|
| 1 Related Parties ** | | |
| (a) Subsidiaries | 2,051.00 | 2,051.00 |
| (b) Companies in the same group | - | - |
| (c) Other related parties | - | - |
| 2 Other than related parties | 11,367.74 | 11,367.74 |
| **Total** | - | - |

** As per Accounting Standard of ICAI [see note 3]

**(8) Other information:**

| Particulars | Amount |
|---|---|
| (i) Gross Non-Performing Assets | |
| (a) Related parties | - |
| (b) Other than related parties | 5,111.32 |
| (ii) Net Non-Performing Assets | |
| (a) Related parties | - |
| (b) Other than related parties | 2,994.27 |
| (iii) Assets acquired in satisfaction of debt | - |

**Notes:**

1. As defined in point xix of paragraph 3 of Chapter-2 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in the aforesaid Directions.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

*(Amounts in ₹ lakhs)*

| | | | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|---|
| **(vi)** | **Investments** | | | | |
| | 1. | **Value of Investments** | | | |
| | | (a) | Gross Value of Investments* | | |
| | | (i) | In India | **12,161.62** | 27,174.43 |
| | | (ii) | Outside India | **-** | - |
| | | | | **12,161.62** | 27,174.43 |
| | | (b) | Provisions for Depreciation | | |
| | | (i) | In India | **12.55** | 59.26 |
| | | (ii) | Outside India | **-** | - |
| | | | | **12.55** | 59.26 |
| | | (c) | Net Value of Investments | | |
| | | (i) | In India | **12,149.07** | 27,115.17 |
| | | (ii) | Outside India | **-** | - |
| | | | | **12,149.07** | 27,115.17 |
| | 2. | **Movement of provisions held towards depreciation** | | | |
| | | (a) | Opening balance | **59.26** | 37.54 |
| | | (b) | Add: Provisions made during the year | **(46.71)** | 21.72 |
| | | (c) | Less: Write-off/write-back of excess provisions during the year | **-** | - |
| | | (d) | Closing balance | **12.55** | 59.26 |
| | | *Investment is net off PTC of a pool, which is acquired by the company & hence deducted from investments and debt securities. | | | |
| **(vii)** | **Details of Assignment transactions undertaken** | | | | |
| | (a) | No. of accounts | | **5224** | 1947 |
| | (b) | Aggregate value (net of provisions) of accounts sold* | | **43,800.23** | 13,965.78 |
| | (c) | Aggregate consideration | | **43,800.23** | 13,965.78 |
| | (d) | Additional consideration realized in respect of accounts transferred in earlier years | | **-** | - |
| | (e) | Aggregate gain/loss over net book value | | **-** | - |
| | | *represents the gross carrying value of portfolios sold out of loans classified as amortised cost (Refer note no. 58) | | | |

**(viii)** During the year, the Company has sold non-performing financial assets to Encore Asset Reconstruction Company Pvt. Ltd. of Rs. Nil (Previous year: 1,101.83 Lakhs). (Refer note no. 58.c)

During the current year, the Company has acquired stressed loans both NPA & SMA as per below table

**Classifed as NPA**

| **Particulars** | **Amount in Lakhs** |
|---|---|
| Aggregate principal outstanding of loans acquired | 3,017.49 |
| Aggregate consideration paid | * |
| Weighted Average residual tenure of loans acquired (in Years) | 2.18 |

**Classifed as SMA**

| **Particulars** | **Amount in Lakhs** |
|---|---|
| Aggregate principal outstanding of loans acquired | 1,526.90 |
| Aggregate consideration paid | * |
| Weighted Average residual tenure of loans acquired (in Years) | 2.75 |

* Company has acquired loans in default on account of Business transfer Agreement (BTA) with Digikredit Finance Private Limited, no separate consideration has been paid. Refer note 52.

| | | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| **(ix)** | **Exposures** | | | |
| | **(A) Exposure to Real Estate Sector** | | | |
| | **(a)** | **Direct Exposure** | | |
| | (i) | **Residential Mortgages-** | | |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | **55,402.44** | 40,448.07 |
| | (ii) | **Commercial Real Estate-** | | |
| | | Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits | **39,790.62** | 27,917.01 |
| | (iii) | **Investments in Mortgage Backed Securities (MBS) and other securitized exposures-** | | |
| | | Residential | **-** | - |
| | | Commercial Real Estate | **-** | - |
| | **(b)** | **Indirect Exposure-** | | |
| | | Fund based & non fund based exposure on National Housing Bank (NHB) & Housing Finance Company (HFCs) | **1,415.58** | 814.38 |
| | | **Total Exposure to Real Estate Sector** | **96,608.64** | 69,179.46 |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

*(Amounts in ₹ lakhs)*

| | | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| (ix) | **Exposures (contd.)** | | | |
| | **(B) Exposure to Capital Market** | | | |
| | (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; | **2,051.00** | 2,051 |
| | (ii) | Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | **591.45** | 2,051.69 |
| | (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | **93.54** | 35.79 |
| | (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; | **-** | - |
| | (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | **-** | - |
| | (vi) | Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | **-** | - |
| | (vii) | Bridge loans to companies against expected equity flows/issues; | **-** | - |
| | (viii) | Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds | **-** | - |
| | (ix) | Financing to stockbrokers for margin trading | **-** | - |
| | (x) | All exposures to Alternative Investment Funds ( Across all category) | **-** | - |
| | (xi) | All exposures to Venture Capital Funds (both registered and unregistered) | **-** | - |
| | | **Total Exposure to Capital Market** | **2,735.99** | 4,138.48 |
| | Note: Loans having exposure to Real estate and Capital Markets are classified based on the primary security. | | | |
| (x) | **Provisions and Contingencies** | | | |
| | **Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement of Profit and Loss** | | | |
| | (a) | Provisions for depreciation on Investment | **(46.71)** | 21.72 |
| | (b) | Provision towards NPA | **522.98** | 26.59 |
| | (c) | Provision made towards Income tax | **(22.44)** | 500.29 |
| | (d) | Other Provision and Contingencies on undisbursed loans & DA upfront income receivables | **65.23** | 10.06 |
| | (e) | Provision for Standard Assets | **659.08** | 111.93 |
| (xi) | **Concentration of Advances** | | | |
| | Total Advances to twenty largest borrowers | | **19,843.75** | 18,684.64 |
| | Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC | | **8.70%** | 14.02% |
| (xii) | **Concentration of Exposures** | | | |
| | Total Exposure to twenty largest borrowers/customers | | **19,843.75** | 18,684.64 |
| | Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the applicable NBFC on borrowers/customers | | **8.70%** | 14.02% |
| (xiii) | **Concentration of NPAs** | | | |
| | Total Exposure to top four NPA accounts | | **797.68** | 927.83 |
| | Exposure for top four NPA accounts has been determined at borrower level. | | | |
| (xiv) | **Off-balance Sheet SPVs sponsored** | | | |
| | Domestic | | **-** | - |
| | Overseas | | **-** | - |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (xv) | **Disclosure of Complaints** | | |
| | No. of complaints pending at the beginning of the year | 2 | 1 |
| | No. of complaints received during the year | 95 | 35 |
| | No. of complaints redressed during the year | 93 | 34 |
| | No. of complaints pending at the end of the year | 4 | 2 |

**(xvi) Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:**

During the current year and previous years (FY 2022-23 and FY 2021-22), the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**(xvii) Derivatives**

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

| S. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| I | The Notional Principal of swap agreement | - | - |
| II | Losses which would be incurred if counter parties failed to fulfill their obligations under the agreement | - | - |
| III | Collateral required by the Company upon entering into swaps | - | - |
| IV | Concentration of credit risk arising from the swaps | - | - |
| V | The fair value of the swap book (Asset/(Liability)) | - | - |

**2. Exchange traded interest rate (IR) derivatives**

The Company has not entered into any exchange traded derivative.

**3. Disclosures on risk exposure and derivatives**

**Qualitative Disclosures**

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

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

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed.

**Quantitaive Disclosures**

| Sr. No. | Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Currency Derivatives | Interest Rate Derivative | Currency Derivatives | Interest Rate Derivative |
| I | Derivative (Notional Principal Amount) - For Hedging | 5,695.59 | - | - | - |
| II | Market to market position | | | | |
| | (a) Asset [+] Estimated Gain | - | - | - | - |
| | (b) Liability [-] Estimated Loss | (89.21) | - | - | - |
| III | Credit Exposure | 200.76 | - | - | - |
| IV | Unhedged exposures | - | - | - | - |

**(xviii) Disclosures relating to securitisation**

| **I. Particulars** | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Carrying amount of Assets | 2,090.58 | - |
| Carrying amount of associated Liabilities | 1,801.50 | - |
| **For those liabilities that have recourse only to the transferred financial assets** | | - |
| Fair value of assets (A) | 2,090.58 | - |
| Fair value of associated liabilities (B) | 1,801.50 | - |
| **Net Position (C) = (A - B)** | 289.08 | - |

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**

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

**Details of securitization :**

| S. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 1 | No of SPVs sponsored by the applicable NBFC for securitization transactions* | 4 | - |
| 2 | Total amount of securitized assets as per books of the SPVs sponsored | 2,090.58 | - |
| 3 | Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet | - | - |
| | a. Off - Balance Sheet exposures | - | - |
| | First loss | - | - |
| | Others | - | - |
| | b. On - Balance Sheet exposures | - | - |
| | First loss | 310.26 | - |
| | Others | - | - |
| 4 | Amount of exposures to securitization transactions other than MRR | - | - |
| | a. Off - Balance Sheet exposures | - | - |
| | i) Exposure to own securitizations | - | - |
| | First loss | - | - |
| | Others | - | - |
| | ii) Exposure to third party securitization | - | - |
| | First loss | - | - |
| | Others | - | - |
| | b. On - Balance Sheet exposures | - | - |
| | i) Exposure to own securitizations | - | - |
| | First loss | 324.78 | - |
| | Others | 68.95 | - |
| | ii) Exposure to third party securitization | - | - |
| | First loss | - | - |
| | Others | - | - |

*Only the SPVs relating to outstanding securitization transactions.

(xix) **Registration obtained from other financial sector regulators**

During the current year and the previous years (FY 2022-23 and FY 2021-22), the Company has not obtained any registration from other financial sector regulators.

(xx) **Rating assigned by credit rating agencies and migration of ratings during the year**

| S. No. | Instrument | Rating Agency | Rating |
|---|---|---|---|
| 1 | Bank Loans / Debt Instruments- Long term | ACUITE | AA-/ Stable |
| 2 | Principal Protected Market Linked Debenture | ACUITE | PP-MLD AA-/ Stable |
| 3 | Commercial paper- Short term | ACUITE | A1+ |
| 4 | Non convertible debentures- Long term | ACUITE | AA-/ Stable |
| 5 | Subordinated Debt- Long term | ACUITE | AA-/ Stable |
| 6 | Principal Protected Market Linked Debenture- Long term | ACUITE | PP-MLD AA-/ Stable |

(xxi) During the current year and the previous years (FY 2022-23 and FY 2021-22) there are no penalties levied by RBI.

(xxii) During the current year and the previous years (FY 2022-23 and FY 2021-22), the Company has not financed any of the Parent Company's products.

(xxiii) There are no Restructured Accounts as per Appendix 4 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(xxiv) The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

(xxv) The Company does not have any Subsidiaries or Joint Venture abroad.

(xxviii) As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to Rs. 88.90 lakhs during year ended March 31, 2023 (during the year ended March 31, 2022: Nil) vide form FMR 1.

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

| | | | | **For the year ended 31st March, 2023** | For the year ended 31st March, 2022 |
|---|---|---|---|---|---|
| **(i)** | **Disclosure of complaints** | | | | |
| | **1)** | Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman | | | |
| | **Sr. No.** | | **Particulars** | | |
| | | Complaints received by the NBFC from its customers | | | |
| | 1 | | Number of complaints pending at beginning of the year | **2** | 1 |
| | 2 | | Number of complaints received during the year | **95** | 35 |
| | 3 | | Number of complaints disposed during the year | **93** | 34 |
| | | 3.1 | Of which, number of complaints rejected by the NBFC | **0** | 0 |
| | 4 | | Number of complaints pending at the end of the year | **4** | 2 |
| | | Maintainable complaints received by the NBFC from Office of Ombudsman | | | |
| | 5 | | Number of maintainable complaints received by the NBFC from Office of Ombudsman | **12** | 10 |
| | | 5.1 | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | **9** | 10 |
| | | 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | **3** | 0 |
| | | 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | **-** | - |
| | 6 | | Number of Awards unimplemented within the stipulated time (other than those appealed) | **-** | - |

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (contd.)**

**2) 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 |
| **FY 2022-23** | | | | | |
| **Misbehaviour** | **1** | **23** | **187.5%** | **0** | **0** |
| **Miscommunication** | **1** | **16** | **100.0%** | **1** | **0** |
| **Updation In Bureaus** | **0** | **8** | **14.3%** | **0** | **0** |
| **Excess Refund** | **0** | **4** | **300.0%** | **0** | **0** |
| **Preclosure Process** | **0** | **6** | **200.0%** | **0** | **0** |
| **Others** | **0** | **38** | **322.2%** | **3** | **0** |
| **Total** | **2** | **95** | | **4** | **0** |
| **FY 2021-22** | | | | | |
| Misbehaviour | 1 | 8 | 700.0% | 1 | 0 |
| Miscommunication | 0 | 8 | 300.0% | 1 | 0 |
| Updation In Bureaus | 0 | 7 | 700.0% | 0 | 0 |
| Withdrawl of Legal | 0 | 3 | 300.0% | 0 | 0 |
| Preclosure Process | 0 | 2 | -66.7% | 0 | 0 |
| Others | 0 | 7 | -36.4% | 0 | 0 |
| Total | 1 | 35 | | 2 | 0 |

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (contd.)**

*(Amounts in ₹ lakhs)*

| | | | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|---|---|
| **(A)** | **Exposures** | | | |
| | **(1) Exposure to Real Estate Sector** | | | |
| | **(a)** | **Direct Exposure** | | |
| | (i) | **Residential Mortgages-** | | |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits. | **55,402.44** | 40,448.07 |
| | (ii) | **Commercial Real Estate-** | | |
| | | Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily 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. | **39,790.62** | 27,917.01 |
| | (iii) | **Investments in Mortgage Backed Securities (MBS) and other securitized exposures-** | | |
| | | Residential | **-** | - |
| | | Commercial Real Estate | **-** | - |
| | **(b)** | **Indirect Exposure-** | | |
| | | Fund based & non fund based exposure on National Housing Bank (NHB) & Housing Finance Company (HFCs) | **1,415.58** | 814.38 |
| | | **Total Exposure to Real Estate Sector** | **96,608.64** | 69,179.46 |

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (contd.)**

*(Amounts in ₹ lakhs)*

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Exposures (contd.)** | | | |
| **(2) Exposure to Capital Market** | | | |
| (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 | **2,051.00** | 2,051 |
| (ii) | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds | **591.45** | 2,051.69 |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | **93.54** | 35.79 |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances | **-** | - |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | **-** | - |
| (vi) | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | **-** | - |
| (vii) | Bridge loans to companies against expected equity flows / issues | **-** | - |
| (viii) | Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds | **-** | - |
| (ix) | Financing to stockbrokers for margin trading | **-** | - |
| (x) | All exposures to Alternative Investment Funds ( Across all category) | **-** | - |
| | (i) Category I | **-** | - |
| | (ii) Category II | **-** | - |
| | (iii) Category III | **-** | - |
| | **Total Exposure to Capital Market** | **2,735.99** | 4,138.48 |

Note: Loans having exposure to Real estate and Capital Markets are classified based on the primary security.

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (contd.)**

*(Amounts in ₹ lakhs)*

3) **Sectoral Exposure**

| | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| **Sectors** | **Total Exposure** | **Gross NPA** | **Percentage of GNPA to Total exposure** | **Total Exposure** | **Gross NPA** | **Percentage of GNPA to Total exposure** |
| **1. Agriculture and Allied Activities** | 10,431.08 | 103.84 | 1.00% | 5,164.46 | 20.21 | 0.39% |
| **2. Industry (2.1 to 2.4)** | **46,648.73** | **859.80** | **1.84%** | **28,574.96** | **546.59** | **1.91%** |
| 2.1 Micro and Small | 40,441.08 | 777.73 | 1.92% | 19,542.36 | 546.59 | 2.80% |
| 2.2 Medium | 2,314.72 | 21.47 | 0.93% | 1,447.76 | - | 0.00% |
| 2.3 Large | 1,904.76 | - | 0.00% | 6,987.22 | - | 0.00% |
| 2.4 Others, if any, Please specify | 1,988.17 | 60.60 | 3.05% | 597.62 | - | 0.00% |
| **3. Services (3.1 to 3.9)** | **1,31,612.47** | **3,494.41** | **2.66%** | **86,505.97** | **3,166.02** | **3.66%** |
| 3.1 Transport Operators | 4,704.36 | 368.33 | 7.83% | 2,814.81 | 297.50 | 10.57% |
| 3.2 Computer Software | 1,438.29 | 21.32 | 1.48% | 1,159.30 | 37.62 | 3.25% |
| 3.3 Tourism, Hotel and Restaurants | 1,926.86 | 380.83 | 19.76% | 1,748.70 | 596.40 | 34.11% |
| 3.4 Shipping | - | - | 0.00% | 2.33 | - | 0.00% |
| 3.5 Professional Services | 3,479.64 | 164.13 | 4.72% | 3,991.54 | 252.16 | 6.32% |
| **3.6 Trade** | **51,098.10** | **1,553.96** | **3.04%** | **36,867.39** | **928.07** | **2.52%** |
| 3.6.1 Wholesale Trade (other than Food Procurement) | 13,404.98 | 570.73 | 4.26% | 11,044.68 | 345.97 | 3.13% |
| 3.6.2 Retail Trade | 37,693.12 | 983.23 | 2.61% | 25,822.71 | 582.10 | 2.25% |
| 3.7 Commercial Real Estate | 1,469.70 | 3.89 | 0.26% | 1,206.83 | - | 0.00% |
| 3.8 NBFCs | 24,406.86 | - | 0.00% | 13,763.77 | - | 0.00% |
| 3.9 Other Services | 43,088.67 | 1,001.97 | 2.33% | 24,951.30 | 1,054.27 | 4.23% |
| **4. Personal Loans (4.1 to 4.4)** | **39,269.58** | **653.25** | **1.66%** | **13,021.00** | **51.89** | **0.40%** |
| 4.1 Vehicle/Auto Loans | 28,031.72 | 184.34 | 0.66% | 9,323.32 | 51.89 | 0.56% |
| 4.2 Education Loans | 796.04 | - | 0.00% | - | - | 0.00% |
| 4.3 Advances to Individuals against Shares, Bonds | 684.99 | - | 0.00% | 2,074.06 | - | 0.00% |
| 4.4 Other personal loans | 9,756.83 | 468.91 | 4.81% | 1,623.62 | - | 0.00% |

4) **Intra Group Exposure**

The company does not have any Intra Group Exposure during the current year & previous year

5) **Unhedged Foreign Curreny Exposure**

The company does not have any Unhedged Foreign Curreny Exposure at the end of the year

**55. Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (contd.)**

**B) Related Party Disclosure**

**1) Composition of the Board**

**2022-23**

| Nature of transaction | Parent (as per ownership or control) | | Subsidiaries | | Associates & Joint Venture | | Key Management Personnel | | Relatives of Key Management Personnel | | Subsidiary Of Ultimate Holding Company | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum |
| Borrowings | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Deposits | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Placement of deposits | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Advances | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Investments | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Purchase of fixed/otherassets | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Sale of fixed/other assets | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Interest Paid | 9.32 | 5,000.00 | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Interest Received | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Equity shares held | - | - | 2,051.00 | 2,051.00 | NA | NA | NA | NA | NA | NA | - | - |
| Inter-Corporate Deposit received | 5,000.00 | 5,000.00 | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Inter-Corporate Deposit repaid | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Payable towards expense | 119.06 | 207.92 | - | - | NA | NA | NA | NA | NA | NA | 0.18 | 3.37 |

**2021-22**

| Nature of transaction | Parent (as per ownership or control) | | Subsidiaries | | Associates & Joint Venture | | Key Management Personnel | | Relatives of Key Management Personnel | | Subsidiary Of Ultimate Holding Company | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum | As on date / for the year | Maximum |
| Borrowings | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Deposits | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Placement of deposits | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Advances | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Investments | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Purchase of fixed/otherassets | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Sale of fixed/other assets | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Interest Paid | 50.82 | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Interest Received | - | - | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Equity shares held | - | - | 2,051.00 | 2,051.00 | NA | NA | NA | NA | NA | NA | - | - |
| Inter-Corporate Deposit received | 9,700.00 | 9,700.00 | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Inter-Corporate Deposit repaid | 9,700.00 | 9,700.00 | - | - | NA | NA | NA | NA | NA | NA | - | - |
| Payable towards expense | 233.69 | 556.02 | - | - | NA | NA | NA | NA | NA | NA | 2.74 | 9.80 |

**56. Disclosures as required under Circular No. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 of Reserve Bank of India**

*(Amounts in ₹ lakhs)*

| 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 | 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 | 2,13,830.14 | 757.76 | **2,13,072.39** | 855.32 | **(97.56)** |
| | Stage 2 | 9,020.40 | 1,686.49 | **7,333.91** | 36.08 | **1,650.41** |
| Subtotal | | **2,22,850.54** | **2,444.25** | **2,20,406.29** | **891.40** | **1,552.85** |
| | | | | | | |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard | Stage 3 | 3,455.68 | 1,382.94 | **2,072.73** | **345.57** | **1,037.37** |
| Doubtful - up to 1 year | Stage 3 | 1,256.67 | 545.21 | **711.46** | **251.33** | **293.88** |
| 1 to 3 years | Stage 3 | 398.97 | 188.90 | **210.07** | **119.69** | **69.21** |
| More than 3 years | Stage 3 | - | - | - | - | **-** |
| Subtotal for doubtful Loss | Stage 3 | **1,655.64** | **734.11** | **921.53** | **371.02** | **363.09** |
| Subtotal for NPA | | **5,111.32** | **2,117.05** | **2,994.26** | **716.59** | **1,400.46** |
| | | | | | | |
| **Other Items** | | | | | | |
| 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 | - | **29.60** | - | - | **29.60** |
| | Stage 2 | - | - | - | - | **-** |
| | Stage 3 | - | - | - | - | **-** |
| Subtotal | | - | - | - | - | - |
| | | | | | | |
| **Total** | **Stage 1** | **2,13,830.14** | 787.36 | 2,13,072.39 | 855.32 | (67.96) |
| | **Stage 2** | **9,020.40** | **1,686.49** | 7,333.91 | 36.08 | 1,650.41 |
| | **Stage 3** | **5,111.32** | **2,117.05** | 2,994.26 | 716.59 | 1,400.46 |
| | | 2,27,961.86 | 4,590.90 | 2,23,400.55 | 1,607.99 | 2,982.91 |
| | | | | | | |

**57. PUBLIC DISCLOSURE ON LIQUIDTY RISK AS ON 31st March, 2023**
**(As per RBI circular no.RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019)**

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

| Sr No | Number of Significant Counterparties * | Amount (Rs in Lakhs) | % of Total deposits | % of Total Liabilities |
|---|---|---|---|---|
| 1 | 33 | 1,74,812.19 | NA | 88.93% |

*A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total Liabilities, in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-banking Financial Companies and Core Investment Companies.

**(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)**

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

**(iii) Total of top 10 borrowings (amount in Rs. Lakhs and % of total borrowings)**

| Sr No | Amount (Rs in Lakhs) | Borrowing % |
|---|---|---|
| 1 | 87,941.76 | **47.67%** |

*A "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, total liabilities in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

**(iv) Funding Concentration based on significant instrument/product**

| Sr. No. | Name of the instrument/product | Amount (Rs in Lakhs)* | % of Total Liabilities |
|---|---|---|---|
| 1 | Borrowings from Banks | 1,20,426.41 | 61.26% |
| 2 | Borrowings from Financial Institutions | 12,886.79 | 6.56% |
| 3 | Other Borrowings (NBFC) | 16,497.91 | 8.39% |
| 4 | Market Linked Debentures | 10,679.31 | 5.43% |
| 5 | Non Convertible Debentures | 7,905.10 | 4.02% |
| 6 | Commercial Paper | 5,885.24 | 2.99% |
| 7 | Subordinated Liabilities | 5,183.84 | 2.64% |
| 8 | Inter Corporate Debt | 5,000.00 | 2.54% |
| | **TOTAL** | **1,84,464.60** | **93.86%** |

* Above numbers are excluding EIR Impact.

**57. PUBLIC DISCLOSURE ON LIQUIDTY RISK AS ON 31st March, 2023**
**(As per RBI circular no.RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019)**

**(v) Stock Ratios:**

| Sr No | Particulars | Ratios |
|---|---|---|
| 1 | Commercial Papers to Public Funds | 3.26% |
| 2 | Commercial Papers to Total Liabilities | 2.99% |
| 3 | Commercial Papers to Total Assets | 2.21% |
| 4 | NCDs (original Maturity <1 Yrs.) to Public Funds | Nil |
| 5 | NCDs (original Maturity <1 Yrs.) to Total Liabilities | Nil |
| 6 | NCDs (original Maturity <1 Yrs.) to Total Assets | Nil |
| 7 | Other Short Term Liabilities to Public Funds | 42.22% |
| 8 | Other Short Term Liabilities to Total Liabilities | 38.73% |
| 9 | Other Short Term Liabilities to Total Assets | 28.52% |

**vi) Institutional set-up for liquidity risk management**

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee. The Asset Liability Management Committee is supported by Asset Liability Management Support Group to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Asset Liability Management Committee reviews the liquidity risk management, funding and capital planning, analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee monitors and measures the risk profile of the Company.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Company manages liquidity risk by maintaining sufficient cash surplus and by keeping adequate amount of committed credit lines to meet its repayment obligations.

**Institutional set-up for liquidity risk management:** The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The ALCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities to hedge against unexpected requirements.

**58. Disclosures pursuant to RBI Notification-RBI/DOR/2021-22/86 DOR.STR>REC.51 /21/04/048/2021-22 dated 24 September 2021**

**a) Details of Loans not in default transferred through assignment during the year ended 31st March, 2023**

(Amounts in ₹ lakhs)

| Particulars | Year ended 31st March, 2023 |
|---|---|
| Aggregate principal outstanding of loans transferred (in Lakhs.) | 42,628.02 |
| Aggregate consideration paid (in Lakhs.) | 42,628.02 |
| Weighted average residual tenor of loans transferred (in years) | 5.46 |
| Weighted average maturity of loans (in years) | 6.22 |
| Weighted average holding period of loans (in years) | 0.76 |
| Retention of beneficial economic interest (%) | 15.42% |
| Coverage of Tangible security Coverage (%)* | 261.79% |
| Rating - wise distribution of rated loans | Non – rated |

*For Computation of Coverage of Tangible Security Coverage Ratio, the Company has considered only the secured Loans

**b) Details of Loans not in default acquired through assignment during the year ended 31st March, 2023.**

(Amounts in ₹ lakhs)

| Particulars | Year ended 31st March, 2023 |
|---|---|
| Aggregate principal outstanding of loans acquired (in Lakhs.) | 29,340.92 |
| Aggregate consideration paid (in Lakhs.) | 27,589.62 |
| Weighted average residual tenor of loans acquired (in years) | 15.56 |
| Weighted average maturity of loans (in years) | 21.85 |
| Weighted average holding period of loans (in years) | 6.29 |
| Retention of beneficial economic interest (%) | 94.03% |
| Coverage of Tangible security Coverage (%) | 216.30% |
| Rating - wise distribution of rated loans | Non – rated |

**c) Details of stressed loans transferred during the year to ARC**

The company has not transferred any loans to ARC during the current year .

**59. A. Disclosure pursuant to RBI Notification No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 read with RBI/2020-21/16 DOR No.BP.BC/3/21.04.048/2020-21 dated 6th August, 2020.**

**For the half year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) # | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half-year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ** |
|---|---|---|---|---|---|
| Personal Loans | - | - | - | - | - |
| Corporate persons* | 79.10 | 23.46 | - | 12.74 | 42.90 |
| *Of which, MSMEs* | 79.10 | 23.46 | - | 12.74 | 42.90 |
| Others | 3,102.29 | 301.56 | 23.08 | 91.31 | 2,709.42 |
| **Total** | **3,181.39** | **325.02** | **23.08** | **104.05** | **2,752.32** |

** includes interest accrued for the half year
# Includes cases where requests received till 30th September, 2021 and implemented subsequently.

**B) Disclosure pursuant to RBI Notification No. RBI/2020-21/16 DOR No.BP.BC/3/21.04.048/2020-21 dated 6th August, 2020. (for restructuring of accounts of Micro, Small, Medium Enterprises (MSME Sector)**

*(Amounts in ₹ lakhs)*

| Type of borrower | Number of accounts where resolution plan has been implemented under this window (A) | Amount# (B) |
|---|---|---|
| MSME* | 52 | 3,057.57 |

# Represents outstanding balance as on March 31, 2023.

**60.** The Company is engaged primarily in the business of financing activity and accordingly there are no separate reportable segment as per Ind AS 108 dealing with Operating Segment.

**61.** The Company continues to apply management overlays over and above ECL Model to consider the impact of the Covid-19 pandemic and other recovery parameters. As at 31st March, 2023, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at Rs. 547.38 lakhs (Rs. 680.21 lakhs as at 31st March 2022).

**63.** On 12th November, 2021, Reserve Bank of India issued circular clarifying certain aspects of Income Recognition, Asset Classification and Provisioning (IRACP) norms. Vide Circular No. DOR.STR.REC.85/21.04.048/2021-22 dated 15th February, 2022, the Reserve Bank of India had granted time till 30th September, 2022 to implement the revised IRACP norms. However, the Company has complied with those norms since the quarter ended 31st December 2021. The Company continues to hold loan loss provisions as per existing Expected Credit Loss (ECL) policy and maintains adequate ECL provision as per Ind AS 109, which are higher than the minimum provision stipulated in the IRACP norms

**64.** The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:
a) The Company has not traded or invested in crypto currency or virtual currency during the financial year
b) The Company has not entered into any scheme of arrangement
c) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**65.** The Company does not have any transactions with companies struck off by the Registrar of Companies ('RoC') under section 248 of the Act, or under section 560 of the Companies Act, 1956.

**66.** Figures from the previous period/year have been regrouped, wherever necessary to coform to currrent period presentation.

**67. Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

| | | | |
|---|---|---|---|
| **SD/-** | **SD/-** | **SD/-** | **SD/-** |
| **Sanjay Khemani** | **Sanjay Sakhuja** | **Sanjay Dhoka** | **Neha Gandhi** |
| Partner | Whole Time Director and Executive Chairman | Whole Time Director, CFO and COO | Company Secretary M.No. ACS 55410 |
| Membership Number: 044577 | DIN: 00004370 | DIN: 00450023 | |
| Place: Mumbai | Date: 26th May 2023 | Date: 26th May 2023 | Date: 26th May 2023 |
| Date: 26th May 2023 | | | |

**Independent Auditor's Report**

**To the Members of Ambit Finvest Private Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

1. We have audited the accompanying consolidated financial statements of Ambit Finvest Private Limited ('the Holding Company') and its subsidiary – Ambit Housing Finance Private Limited (the Holding Company and its subsidiary together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to usand based on the consideration of report of other auditor on separate financial statements of a subsidiary, 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 the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of loans and advances to customers**<br>(Refer Note 2 for significant accounting policies and Note 51 for credit risk disclosures) | |
| As at 31 March 2023, the Group has reported gross loan assets of ₹ 2,27,961 lakhs against which an impairment loss of ₹ 4,561 lakhs has been recorded. The Group recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'.<br>The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to:<br><br>➢ ensuring completeness and accuracy of the data used to create assumption in the model.<br>➢ determining the criteria for a significant increase in credit risk.<br>➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.<br><br>These parameters are derived from the Group's internally developed statistical models and other historical data.<br><br>During the previous years, RBI announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package-Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020 and 4 June 2021, which have | Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:<br>• Obtained an understanding of the modelling techniques adopted by the Group including the key inputs and assumptions;<br><br>• Considered the Group's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109;<br><br>• Understanding management's systems and controls implemented in relation to impairment allowance process.<br><br>• Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays;<br><br>• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets.;<br><br>• Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);<br><br>• Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; |

| | |
|---|---|
| been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.<br><br>On the basis of an estimate made by the management, an overlay to the tune of ₹ 547 lakhs has been carried by the Company as at 31 March 2023 on loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the economy.<br><br>**Disclosure**<br><br>The disclosures regarding the Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus.<br><br>Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter. | • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data;<br><br>• Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable;<br><br>• Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 51 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework. |

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

**Board of Director's Responsibilities for the Consolidated Financial Statements**

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India. The respective Board of Directors of the entities 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 their respective 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 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 Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of respective Company 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)***

- 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company, 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.

13. 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.

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

**Other Matter**

15. The consolidated financial statements include the audited financial statements of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,150.03 Lakhs as at 31 March, 2023, total revenue (before consolidation adjustments) of Rs. 130.35 Lakhs and net profit after tax (before consolidation adjustments) of Rs. 94.69 Lakhs and net cash inflows of Rs 106.07 Lakhs for the year ended on that date, as considered in the consolidated financial statements, which has been audited by its independent auditor. The independent auditor's report on the financial statements of this entity has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act based on our audit and the report of the statutory auditor of a subsidiary company incorporated in India which was not audited by us, we report that the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary, as noted in 'other matters paragraph', we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

**Report on Other Legal and Regulatory Requirements *(Continued)***

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:

19.

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 36 to the consolidated financial statements;

ii. The Group has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India during the year ended 31 March 2023;

iv. a. The management has represented that, to the best of its knowledge and belief as disclosed in note 19A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any persons or entities, including foreign entities ('the 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 Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

**Report on Other Legal and Regulatory Requirements *(Continued)***

b. The management, as disclosed in the note 19A to the accompanying consolidated financial statements has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding 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; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company has not declared any dividend during the year ended 31 March 2023. Accordingly, the provision of section 123 of the Act is not applicable; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **M M Nissim & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107122W/W100672

**Sd/-**
**Sanjay Khemani**
*Partner*
Membership No. 044577
UDIN: 23044577BGUVNB8879

Mumbai
26 May 2023

**Annexure I**

**Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**(Referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

1. In conjunction with our audit of the consolidated financial statements of **Ambit Finvest Private Limited** ('the Holding Company') and its Subsidiary (collectively referred as 'Group') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to the consolidated financial statements of Group, as at that date.

**Board of Director's Responsibilities for Internal Financial Controls**

2. The respective Board of Directors of the companies included in the Group, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the consolidated 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 ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

**4.** Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Annexure I to the Independent Auditor's Report of even date to the members of Ambit Finvest Private Limited on the consolidated financial statements for the year ended 31 March 2023**

## Opinion

8. In our opinion, the Group, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matter

**9.** Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **M M Nissim & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107122W/W100672

**Sd/-**
**Sanjay Khemani**
*Partner*
Membership No. 044577
UDIN: 23044577BGUVNB8879

**Mumbai**
**26 May 2023**

**AMBIT FINVEST PRIVATE LIMITED**
**Consolidated Balance Sheet as at 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | Notes | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial Assets** | | | |
| (a) Cash and cash equivalents | 4 | **8,050.74** | 11,981.30 |
| (b) Bank balance other than cash and cash equivalents | 5 | **6,063.72** | 5,387.81 |
| (c) Receivables | | | |
| Trade Receivables | 6 | **496.92** | - |
| (d) Loans | 7 | **2,23,400.56** | 1,30,028.47 |
| (e) Investments | 8 | **10,098.07** | 25,064.17 |
| (f) Other financial assets | 9 | **5,394.56** | 1,731.48 |
| | | **2,53,504.57** | 1,74,193.23 |
| **Non-financial Assets** | | | |
| (a) Current tax assets (net) | 10(a) | **1,975.87** | 684.75 |
| (b) Deferred tax assets (net) | 49 | **218.54** | 530.61 |
| (c) Property, Plant and Equipment | 11 | **951.52** | 561.96 |
| (d) Goodwill | 12 | **4,736.96** | 2,436.68 |
| (e) Other Intangible assets | 13 | **662.83** | 167.04 |
| (f) Intangible Assest under Development | 13(a) | **63.79** | - |
| (g) Right of use asset | 14 | **2,440.03** | 1,601.51 |
| (h) Other non-financial assets | 15 | **1,250.70** | 1,172.33 |
| | | **12,300.24** | 7,154.88 |
| **TOTAL ASSETS** | | **2,65,804.81** | 1,81,348.11 |
| | | | |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **Financial Liabilities** | | | |
| (a) Derivative Financials Instruments | 16 | **89.21** | - |
| (b) Trade payables | 17 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | **51.30** | 99.44 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | **3,795.26** | 2,699.52 |
| (c) Debt securities | 18 | **29,951.62** | 17,024.54 |
| (d) Borrowings (other than debt securities) | 19 | **1,49,190.90** | 89,100.80 |
| (e) Lease liabilities | 14 | **2,559.15** | 1,704.43 |
| (f) Other financial liabilities | 20 | **8,844.76** | 3,222.69 |
| | | **1,94,482.20** | 1,13,851.42 |
| **Non-financial Liabilities** | | | |
| (a) Current tax liabilities (net) | 10(b) | **68.93** | 73.67 |
| (b) Provisions | 21 | **294.60** | 264.93 |
| (c) Other non-financial liabilities | 22 | **568.58** | 363.40 |
| | | **932.11** | 702.00 |
| **TOTAL LIABILITIES** | | **1,95,414.31** | 1,14,553.42 |
| | | | |
| **EQUITY** | | | |
| (a) Equity share capital | 23 | **1,809.72** | 1,809.39 |
| (b) Other equity | 24 | **68,580.78** | 64,985.30 |
| **TOTAL EQUITY** | | **70,390.50** | 66,794.69 |
| **TOTAL LIABILITIES AND EQUITY** | | **2,65,804.81** | 1,81,348.11 |
| See accompanying notes forming part of the consolidated financial statements | 1 - 64 | | |

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

**SD/-**

**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**SD/-**

**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

**SD/-**

**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

**SD/-**

**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

**AMBIT FINVEST PRIVATE LIMITED**

**Statement of Consolidated Profit and Loss for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | Notes | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 25 | **29,034.52** | 18,531.07 |
| Net gain on fair value changes | 26 | **738.38** | 394.22 |
| Net gain/(Loss) on derecognition of financial instruments under amortized cost category | 27 | **3,540.82** | 1,089.44 |
| Fees and commission Income | 28 | **850.08** | 303.88 |
| **Total revenue from operations** | | **34,163.80** | 20,318.61 |
| | | | |
| Other income | 29 | **921.64** | 136.88 |
| **Total income** | | **35,085.44** | 20,455.49 |
| | | | |
| **Expenses** | | | |
| Finance costs | 30 | **12,738.53** | 6,626.25 |
| Net loss on fair value changes | 31 | **89.21** | - |
| Impairment of financial assets | 32 | **2,892.30** | 750.99 |
| Employee benefits expense | 33 | **10,015.22** | 6,558.85 |
| Depreciation, amortization and impairment | 34 | **1,058.36** | 726.06 |
| Other expenses | 35 | **4,575.15** | 2,364.00 |
| | | **31,368.77** | 17,026.15 |
| | | | |
| **Profit before tax** | | **3,716.67** | 3,429.34 |
| | | | |
| **Tax Expense:** | | | |
| - Current tax | | | |
| for the current year | 48 | **8.60** | 500.29 |
| (Excess)/short provision in respect of earlier years | | **1.76** | - |
| | | **10.36** | 500.29 |
| - Deferred tax credit | 50 | **304.30** | 358.14 |
| | | **314.66** | 858.43 |
| | | | |
| **Profit for the year** | | **3,402.01** | 2,570.91 |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the defined benefit plans | | **30.84** | (14.32) |
| Income tax on above | | **(7.76)** | 3.60 |
| **Total other comprehensive income** | | **23.08** | (10.72) |
| | | | |
| **Total comprehensive income for the year** | | **3,425.09** | 2,560.19 |
| | | | |
| Earnings per equity share | 40 | | |
| (Nominal value of equity share ₹10 per share) | | | |
| - Basic (₹) | | **18.80** | **14.21** |
| - Diluted (₹) | | **18.77** | **14.17** |
| See accompanying notes forming part of the consolidated financial statements | 1 - 64 | | |

**In terms of our report attached**

**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

SD/-

**Sanjay Khemani**

Partner

Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

SD/-

**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

SD/-

**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

SD/-

**Neha Gandhi**
Company Secretary
M.No. ACS 55410

Date: 26th May 2023

**AMBIT FINVEST PRIVATE LIMITED**

**Consolidated Cash flow statement for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| Particulars | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| | | | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **3,716.67** | 3,429.34 |
| Adjustments for: | | | |
| Depreciation, amortization and impairment | | **1,058.36** | 726.06 |
| Impairment on financial instruments | | **2,947.79** | 750.99 |
| Impairment on financial instruments_deposits | | **(8.79)** | |
| Impairment on financial instruments_investments | | **(46.70)** | - |
| Interest income on deposits with banks | | **(768.46)** | (385.10) |
| Interest income on Investments | | **(2,226.72)** | (1,441.73) |
| Interest income on Loans | | **(25,851.69)** | (16,745.92) |
| Finance Cost | | **11,906.74** | 6,494.28 |
| Finance Cost on lease liabilities | | **186.18** | 131.97 |
| Employee stock option compensation cost | | **160.52** | 96.29 |
| Loss on write off of fixed assets | | **17.46** | 1.77 |
| Unwinding of discount on security deposit | | **(33.10)** | (18.10) |
| Profit on Redemption of Debentures | | **(620.91)** | (366.71) |
| Profit on Sale of Investment property | | **-** | (30.56) |
| Profit from redemption of investments in mutual funds | | **(117.47)** | (24.51) |
| | | | |
| Interest received | | **24,918.76** | 16,336.17 |
| Interest paid | | **(12,888.38)** | (5,114.29) |
| | | | |
| **Operating profit before working capital changes** | | **2,350.26** | **3,839.95** |
| | | | |
| Changes in working capital: | | | |
| Adjustments for (increase)/decrease in operating assets: | | | |
| Trade receivables | | **(496.92)** | - |
| Loans | | **(94,618.48)** | (33,957.28) |
| Other financial assets | | **(3,695.58)** | (1,452.85) |
| Other non-financial assets | | **(333.06)** | (415.36) |
| Adjustments for increase/(decrease) in operating liabilities: | | | |
| Trade payables | | **1,047.60** | 1,358.24 |
| Derivative Financials Instruments | | **89.21** | - |
| Other financial liabilities | | **5,619.95** | 1,685.31 |
| Other non-financial liabilities | | **205.18** | 258.06 |
| Provision for employee benefits | | **60.51** | 89.30 |
| **Cash used in operations** | | **(89,771.34)** | (28,594.63) |
| Direct tax paid (net) | | **(1,306.22)** | (1,183.46) |
| **Net cash used in operating activities** | **(A)** | **(91,077.56)** | (29,778.09) |
| | | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | **(417.13)** | (540.46) |
| Purchase of other intangible assets | | **(3,043.69)** | (172.72) |
| Purchase of investments | | **(81,744.84)** | (65,562.46) |
| Proceeds from sale of investments | | **99,605.28** | 49,160.96 |
| (Purchase)/Sale of mutual funds | | **117.47** | 24.51 |
| (Purchase)/Sale of investments property | | **-** | 362.35 |
| Change in Fixed deposits not considered as cash and cash equivalent | | **(676.17)** | (1,162.69) |
| **Net cash used in investing activities** | **(B)** | **13,840.92** | (17,890.51) |

AMBIT FINVEST PRIVATE LIMITED

**Consolidated Cash flow statement for the year ended 31st March, 2023**

(Amounts in ₹ lakhs)

| Particulars | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of equity shares | | **10.20** | 5.91 |
| Proceeds from borrowings (other than debt securities) | | **1,01,124.56** | 73,907.89 |
| Repayment of borrowings (other than debt securities) | | **(41,215.84)** | (22,772.92) |
| Proceeds from debt securities | | **28,816.83** | 3,000.00 |
| Repayment of Lease Liabilities-Principal | | **(525.85)** | (411.16) |
| Repayment of Lease Liabilities-Interest | | **(186.18)** | (131.97) |
| Repayment of debt securities | | **(14,726.76)** | - |
| **Net cash generated from financing activities** | **(C)** | **73,296.96** | 53,597.75 |
| | | | |
| **Net increase /(decrease) in cash and cash equivalents** | **(A+B+C)** | **(3,939.68)** | 5,929.15 |
| | | | |
| **Cash and cash equivalents at the commencement of the year** | | **11,990.49** | 6,061.34 |
| | | | |
| **Cash and cash equivalents at the end of the year** | | **8,050.81** | 11,990.49 |
| | | | |
| **Reconciliation of cash and cash equivalents with the Balance Sheet** | | | |
| Cash and cash equivalents as per the balance sheet | | **8,050.74** | 11,981.30 |
| Add: Impairment loss allowances | | **0.07** | 9.19 |
| Cash and cash equivalents at the end of the year* | | **8,050.81** | **11,990.49** |
| ***comprises:** | | | |
| Cash on hand | | **44.45** | 21.43 |
| Balances with banks | | | |
| - In current accounts | | **5,593.76** | 2,459.54 |
| - In deposit account with original maturity of three months or less | | **2,412.60** | 9,509.52 |
| | | **8,050.81** | **11,990.49** |

See accompanying notes forming part of the consolidated financial statements 1 - 64

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

SD/-

**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

SD/-

**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

SD/-

**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

SD/-

**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

AMBIT FINVEST PRIVATE LIMITED

**Consolidated Statement of Changes in Equity for the year ended 31st March, 2023**

**Equity Share Capital**

*(Amounts in ₹ lakhs)*

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Balance at the beginning of the year | **1,809.39** | 1,809.22 |
| Changes in equity share capital during the year (see note 23) | **0.33** | 0.17 |
| Balance at the end of the year | **1,809.72** | 1,809.39 |

**Other equity**

*(Amounts in ₹ lakhs)*

| | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Statutory Reserve | Securities premium | Share options outstanding account | Retained Earnings | |
| **Balance as at 1st April, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,794.36** | **64,985.30** |
| **Changes in accounting policy/prior period errors** | **-** | **-** | **-** | **-** | **-** |
| **Restated balance as at 1st April, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,794.36** | **64,985.30** |
| **Profit for the year** | **-** | **-** | **-** | **3,402.01** | **3,402.01** |
| **Other comprehensive income for the year net of income tax *** | **-** | **-** | **-** | **23.08** | **23.08** |
| **Exercise of employee stock options** | **-** | **12.12** | **-** | **-** | **12.12** |
| **Arising out of issue of equity shares during the year under the Employee Stock Option** | **-** | **-** | **(2.25)** | **-** | **(2.25)** |
| **Transfer from retained earnings to statutory reserve** | **661.46** | **-** | **-** | **(661.46)** | **-** |
| **Compensation cost** | **-** | **-** | **160.52** | **-** | **160.52** |
| **Balance as at 31st March, 2023** | **3,459.56** | **51,245.79** | **317.44** | **13,557.99** | **68,580.78** |
| **Balance as at 1st April, 2021** | 2,282.46 | 51,227.93 | 62.88 | 8,749.81 | 62,323.08 |
| Changes in accounting policy/prior period errors | - | - | - | - | - |
| **Reststated balance as at 1st April, 2021** | 2,282.46 | 51,227.93 | 62.88 | 8,749.81 | 62,323.08 |
| Profit for the year | - | - | - | 2,570.91 | 2,570.91 |
| Other comprehensive income for the year net of income tax * | - | - | - | (10.72) | (10.72) |
| Transfer from retained earnings to statutory reserve | 515.64 | - | - | (515.64) | - |
| Exercise of employee stock options | - | 5.74 | - | - | 5.74 |
| Arising out of issue of equity shares during the year under the Employee Stock Option Schemes | - | - | (0.80) | - | (0.80) |
| Compensation cost | - | - | 97.09 | - | 97.09 |
| | | | | | |
| **Balance as at 31st March, 2022** | **2,798.10** | **51,233.67** | **159.17** | **10,794.36** | **64,985.30** |

** Represents remeasurements of the defined benefit plans*

See accompanying notes forming part of the consolidated financial statements

**In terms of our report attached**

**For M M Nissim & Co LLP**
Chartered Accountants

SD/-

**Sanjay Khemani**
Partner
Membership Number: 044577
Place: Mumbai
Date: 26th May 2023

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

SD/-

**Sanjay Sakhuja**
Whole Time Director and Executive Chairman
DIN: 00004370
Date: 26th May 2023

SD/-

**Sanjay Dhoka**
Whole Time Director, CFO and COO
DIN: 00450023
Date: 26th May 2023

SD/-

**Neha Gandhi**
Company Secretary
M.No. ACS 55410
Date: 26th May 2023

**1. Background**

The consolidated financial statements comprise financial statements of Ambit Finvest Private Limited ("the Company"/ "Holding Company") and its subsidiary Ambit Housing Finance Private Limited (collectively, "the Group") for the year ended 31 March, 2023. The Company is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). The Company is Systemically Important Non-deposit accepting NBFC as defined under Section 45-IA of the Reserve Bank of India Act, 1934 with effect from 1st September, 2018. The Company was incorporated in India as a private company on 24th July, 2006 under the Companies Act, 2013. The Group is principally engaged in lending activities. The Company's registered office is at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Company is a subsidiary of Ambit Private Limited ("Holding Co.)

**2. Basis of preparation**

**2.01 Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Group has been prepared financials in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements have been prepared on accrual and going concern basis.

The consolidated financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

**2.02 Functional and Presentation Currency**

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs with two decimals, except when otherwise stated.

**2.03 Use of estimates and judgments**

The preparation of the Consolidated financial statements, in conformity with the generally accepted accounting principles, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Consolidated financial statements are prudent and reasonable. The actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgment, estimates and assumptions are required in particular for:

i. Determination of estimated useful lives of property, plant, equipment [see note 3.03 (iii)]
ii. Determination of estimated useful lives of intangible assets [see note 3.05 (iv)]
iii. Recognition and Measurement of defined benefit obligations [see note 3.09(b)]
iv. Fair value of financial instruments [see note 3.07(B)]
v. Business model assessment [see note 3.07(C)]
vi. Impairment of financial assets [see note 3.07(E)]
vii. Evaluation of lease, lease term and discount rate [see note 3.11]
viii. Provisions, Contingent liabilities and Contingent Assets [see note 3.14]
ix. Provision for tax expenses [see note 3.15]
x. Effective Interest rate

**2.04 Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

## 3. Significant accounting policies

### 3.01 Revenue recognition

Revenue(other than those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value for the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax 'GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when(or as) the Group satisfies a performance obligation.

Specific policies for the Group's different sources of revenue are explained below:

**i. Interest income**

The Group recognizes interest income using Effective Interest Rate ("EIR") on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Group recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Group recognizes interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization.

**ii. Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Group recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

**iii. Dividend income**

Dividend income is recognised when the Group's right to receive the payment is established.

**iv. Recoveries of financial assets written off**

The Group recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

### 3.02 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.03 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises of purchase price and any attributable cost such as duties, non -refundable taxes, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

ii. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

iii. Depreciation

The Group provides depreciation on straight line method based on the useful lives prescribed in Schedule II of the Companies

Act, 2013, except in respect of mobile handsets (included in office equipment) where useful life has been considered to be 2 years based on the Group's replacement policy for such handsets given to employees. Depreciation on leasehold improvements is provided over the primary period of lease of premises or 5 years, whichever is less.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**3. Significant accounting policies (contd.)**

**3.03 Property, plant and equipment (contd.)**

iv. De-recognition

An item of property, plant and equipment is derecognised 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 recognized in the statement of profit and loss.

**3.04 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**3.05 Other intangible assets**

Intangible assets are initially recognised at its cost and subsequently carried at the cost less accumulated amortization and impairment, if any and are amortised equally over the period of 3 years commencing from the year in which the expenditure is incurred.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The estimated useful lives, residual values and amortization method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

An intangible asset is derecognised 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 derecognition is recognized in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

**3.06 Investment Properties**

Properties, including those under construction, held to earn rentals and /or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognized using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013 or in case if assets were the useful life was determined by technical evaluation , over the useful life so determined. Depreciation method is revised at each financial year end to reflect the expected pattern of consumption of the future benefit embodied in the investment property, the estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the statement of profit and loss in the same year.

**3.07 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All the financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments.

**A. Initial measurement and recognition of Financial assets and financial liabilities**

Financial assets and financial liabilities are initially measured at 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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in statement of profit and loss.

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

**B. Fair value of financial instruments**

The Group measures its qualifying financial instruments 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this Consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. 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
iii. Level 3 inputs are unobservable inputs for the asset or liability.

**C. Financial assets**

The Group classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised and

- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

**Assessment whether contractual cash flows are solely payments of principal and interest**

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic fending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

**Subsequent measurement**

**(a) Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met-

i. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

ii. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss.

**(b) Financial asset at fair value through Other Comprehensive Income (FVOCI)**

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognised through statement of profit and loss. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

**(c) Financial asset at fair value through profit and loss (FVTPL)**

Any financial instrument which does not meet the criteria for categorisation as at amortized cost or as FVOCI, is classified to be measured at FVTPL. Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss .

**D. Financial liabilities**

All financial liabilities are subsequently measured at amortised cost. A financial liability is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit & loss.

**E. Impairment of financial assets**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost such as loan given.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e, all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

For ECL methodology for loan portfolio, pleasde refer note no. 51.04.

**3. Significant accounting policies (contd.)**

**3.07 Financial instruments (contd.)**

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, 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 and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

**F. Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**G. Modifications of financial assets and financial liabilities**

**Financial assets**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases. it is presented as interest income or other gain or loss as appropriate.

**Financial liabilities**

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different In this case, a new financial liability based on the modified terms Is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**H. Write off**

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

I. **Derivative financial instruments**

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include Foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

J. **Securitization**

The Group has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by commercial banks for consideration received in cash at the inception of the transaction. The Group, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Group to provide for first loss credit enhancement in various forms as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Group is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Group has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109.

**3. Significant accounting policies (contd.)**

**3.08 Business combination**

The Group has used acquisition method of accounting for business combinations. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair values. Acquisition-related costs are recognised in statement of profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

**3.09 Employee benefits**

(a) Short term benefits

Short term employee benefits are charged to statement of profit and loss at the undiscounted amount in the year in which the related service is rendered.

(b) Long term benefit plans

Defined contribution plan – Provident and family pension fund:

The eligible employees of the Group are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. Provident and family pension fund are classified as defined contribution plans as the Group has no further obligations beyond making the contribution. The contribution towards the plan is charged to statement of profit and loss in the year it is incurred.

Defined benefit plan – Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of continuous service or part thereof in excess of six months on the basis of last drawn eligible salary. Vesting occurs upon completion of five years of service. The Group accounts for gratuity benefits payable in future, based on an independent actuarial valuation carried out as at the year end. Actuarial gain/loss is recognised in the other comprehensive income.

Other long term benefit plan – Compensated absences:

The Group provides for leave with pay to eligible employees as per the Group's policies. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gain/loss is recognised in the Statement of Profit and Loss.

**3.10 Foreign currency transactions**

These Consolidated financial statements are presented in Indian rupees which is also the functional currency of the Group. Transactions in currencies other than Indian rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies, are re-translated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.

**3. Significant accounting policies (contd.)**

**3.11 Leases - Group as lessee**

Group as lessee

Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of fixed lease payments(less any lease incentives), variable lease payments, penalties, etc. The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs . They are subsequently measured at cost less accumulated depreciation and impairment losses.

Security deposit for rent premises having lease tenure of more than 12 months are recored at present value over its lease tenure.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented under property, plant and equipment.

The Group applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired. Variable rents are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line " Other expenses" in the statement of profit or loss.

**3.12 Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/external factors. If any of such indicator exists, impairment loss is provided in the statement of profit or loss to the extent the carrying amount of assets exceeds their estimated recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

**3. Significant accounting policies (contd.)**

**3.13 Provisions and contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**3.14 Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority and the taxation laws permit the entity to make or receive a single net payment.

**Minimum Alternative Tax Credit**

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

**3. Significant accounting policies (contd.)**

**3.15 Finance Cost**

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fee, arranger fee, stamping expense and rating expense etc. The Group recognises interest expense and other ancillary cost on the borrowings as per Effective Interest Rate Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.
Finance costs are charged to the Statement of Profit and Loss.

**3.16 Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

**3.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**3.18 Employee Share based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Stock Options Outstanding Reserve.

**3.19** Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.
The Group will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.
The Group does not expect this amendment to have any material impact in its financial statements.
Indian Accounting Standard (Ind AS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.
The Group does not expect this amendment to have any material impact in its financial statements.
Indian Accounting Standard (Ind AS) 12 – Income taxes – This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.
The Group does not expect this amendment to have any material impact in its financial statements.

**AMBIT FINVEST PRIVATE LIMITED**

**Notes forming part of the consolidated financial statements for the year ended 31st March, 2023**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **4. CASH AND CASH EQUIVALENTS** | | |
| Cash on hand | **44.45** | 21.43 |
| Balance with banks | | |
| - In current accounts | **5,593.76** | 2,459.54 |
| In deposit accounts with original maturity of three months or les | **2,412.60** | 9,509.52 |
| Less: Impairment loss allowance | **0.07** | 9.19 |
| | **2,412.53** | 9,500.33 |
| | **8,050.74** | **11,981.30** |
| **5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS** | | |
| Deposits with a bank [see footnote] | **6,066.69** | 5,390.45 |
| Less: Impairment loss allowance | **2.97** | 2.64 |
| | **6,063.72** | 5,387.81 |
| Note: Deposits with a bank is under lien for the overdraft facility | | |
| **6. TRADE RECEIVABLES** | | |
| Other receivables (Undisputed , Considered good) | **496.92** | |
| | **496.92** | - |

**Ageing of Trade Receivables**

As at March 31, 2023

| Particulars | Unbilled dues | Not Due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| (i) Undisputed trade receivable- considered good | - | - | 496.92 | - | - | - | - | 496.92 |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- Credit Impaired | | | | | | | | |
| Total | - | - | 496.92 | - | - | - | - | 496.92 |

As at March 31, 2022

| Particulars | Unbilled dues | Not Due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| (i) Undisputed trade receivable- considered good | - | - | - | - | - | - | - | - |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- Credit Impaired | | | | | | | | |
| Total | - | - | - | - | - | - | - | - |

*(Amounts in ₹ lakhs)*

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| **7. LOANS** | | |
| (at amortised cost) | | |
| Term Loans | **2,24,136.76** | **1,31,281.04** |
| Supply chain receivables | **138.35** | **-** |
| Interest accrued on loans | **3,686.75** | **1,985.35** |
| | **2,27,961.86** | **1,33,266.39** |
| Less: Impairment loss allowance | **4,561.30** | **3,237.92** |
| | **2,23,400.56** | **1,30,028.47** |
| (A) Out of above | | |
| (i) Secured | **1,50,619.07** | **97,666.40** |
| Less: Impairment loss allowance | **2,695.64** | **2,453.26** |
| Total (i) | **1,47,923.43** | **95,213.14** |
| | **-** | **-** |
| (ii) Unsecured | **77,342.79** | **35,599.99** |
| Less: Impairment loss allowance | **1,865.66** | **784.66** |
| Total (ii) | **75,477.13** | **34,815.33** |
| Total (i+ii) | **2,23,400.56** | **1,30,028.47** |
| (B) Out of above | | |
| (i) Loans in India | | |
| Public sector | **-** | **-** |
| Others | **2,27,961.86** | **1,33,266.39** |
| Total (i) | **2,27,961.86** | **1,33,266.39** |
| (ii) Loans outside India | **-** | **-** |
| Others | **-** | **-** |
| Total (ii) | **-** | **-** |
| Total (i+ii) | **2,27,961.86** | **1,33,266.39** |
| Less: Impairment loss allowance | **4,561.30** | **3,237.92** |
| | **2,23,400.56** | **1,30,028.47** |

(C) Out of above

-The Group has no loans and advances granted to Promoters, KMP or other related parties which are either repayable on demand or are without specifying any terms or period of repayment.

-Loans given to staff outstanding as on Mar 31, 2023 is Rs 4.91 lakhs (Previous year - 2.66 lakhs).

**7. LOANS (contd.)**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Notes:** | | |
| **1.** Loans are secured by pledge/lien on the shares / securities, hypothecation of current/fixed assets, mortgage of immovable properties, guarantees, receivables. | **1,50,619.07** | 97,666.40 |
| **2.** Includes loans in the form of non-convertible debentures aggregating | **-** | 149.60 |

*(Amounts in ₹ lakhs)*

**3.**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Gross carrying amount-<br>Opening balance as at 1st April, 2022 | 1,22,535.15 | 6,946.54 | 3,784.71 | 1,33,266.40 |
| Net assets originated | 1,82,313.97 | - | - | 1,82,313.97 |
| Assets derecognised or repaid (excluding write-offs) | (81,731.45) | (1,890.17) | (245.00) | (83,866.62) |
| Transfers to Stage 1 | 509.35 | (308.27) | (201.08) | - |
| Transfers to Stage 2 | (4,966.07) | 5,536.67 | (570.60) | - |
| Transfers to Stage 3 | (4,830.81) | (1,264.37) | 6,095.18 | - |
| Amounts written off | - | - | (3,751.89) | (3,751.89) |
| **Gross carrying amount -<br>Closing balance as at 31st March, 2023** | **2,13,830.14** | **9,020.40** | **5,111.32** | **2,27,961.86** |

*(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Gross carrying amount-<br>Opening balance as at 1st April, 2021 | 85,042.60 | 11,681.54 | 2,650.90 | 99,375.04 |
| Net assets originated | 89,618.20 | - | - | 89,618.20 |
| Assets derecognised or repaid (excluding write-offs) | (45,269.91) | (7,066.45) | (1,442.19) | (53,778.55) |
| Transfers to Stage 1 | 918.32 | (875.77) | (42.55) | 0.00 |
| Transfers to Stage 2 | (4,961.04) | 4,961.04 | - | - |
| Transfers to Stage 3 | (2,813.02) | (1,753.82) | 4,566.84 | - |
| Amounts written off | - | - | (1,948.29) | (1,948.29) |
| **Gross carrying amount -<br>Closing balance as at 31st March, 2022** | **1,22,535.15** | **6,946.54** | **3,784.71** | **1,33,266.40** |

**Reconciliation of ECL balance is given below** *(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance - Opening balance as at 1st April, 2022 | 692.76 | 1,092.41 | 1,452.75 | 3,237.92 |
| Net assets originated | 3,585.13 | - | - | 3,585.13 |
| Assets derecognised or repaid (excluding write-offs) | (852.74) | (243.55) | (306.71) | (1,403.00) |
| Transfers to Stage 1 | 15.00 | (14.18) | (0.81) | - |
| Transfers to Stage 2 | (1,233.72) | 1,309.26 | (75.54) | - |
| Transfers to Stage 3 | (1,448.68) | (457.44) | 1,906.12 | - |
| Amounts Written off | - | - | (858.75) | (858.75) |
| **ECL allowance - Closing balance as at 31st March, 2023** | **757.76** | **1,686.49** | **2,117.05** | **4,561.30** |

*(Amounts in ₹ lakhs)*

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance - Opening balance as at 1st April, 2021 | 807.61 | 1,581.30 | 984.67 | 3,373.58 |
| Net assets originated | 2,248.02 | - | - | 2,248.02 |
| Assets derecognised or repaid (excluding write-offs) | (505.50) | (892.80) | (375.02) | (1,773.32) |
| Transfers to Stage 1 | 33.15 | (33.05) | (0.10) | - |
| Transfers to Stage 2 | (1,190.07) | 1,190.07 | - | - |
| Transfers to Stage 3 | (700.45) | (753.11) | 1,453.56 | - |
| Amounts Written off | - | - | (610.36) | (610.36) |
| **ECL allowance - Closing balance as at 31st March, 2022** | **692.76** | **1,092.41** | **1,452.75** | **3,237.92** |

**Outstanding of Default Loans:-**

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| **Particulars-<br>Days past due** | **Total Amount Outstanding (₹ in Lakhs)** | **No. of Cases** | **Total Amount Outstanding (₹ in Lakhs)** | **No. of Cases** |
| 1-30 days | 5,865.46 | 1187 | 3,024.95 | 325 |
| 31-60 days | 4,001.22 | 818 | 6,538.15 | 261 |
| 61-90 days | 1,706.42 | 480 | 408.38 | 37 |
| More than 90 days | 4,826.28 | 1015 | 3,784.71 | 208 |
| **Total** | **16,399.38** | **3500** | **13,756.19** | **831** |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 Units | As at 31st March, 2023 Amount | As at 31st March, 2022 Units | As at 31st March, 2022 Amount |
|---|---|---|---|---|
| **8. INVESTMENTS** | | | | |
| (in India) | | | | |
| **At fair value through profit or loss** | | | | |
| Investment in non-convertible debentures and bonds (Face Value Rs. 100,000/- each) | - | - | 598 | 6,017.08 |
| **At amortised cost** | | | | |
| In Pass Through Certificates (PTC) representing securitisation of loan receivables | | 11,380.29 | | 19,106.35 |
| **Less** | | | | |
| PTC of a pool, which is acquired by the company & hence forms part of debt securities | | (1,269.67) | | |
| Impairment loss allowances | | (12.55) | | (59.26) |
| | | **10,098.07** | | **25,064.17** |
| (i) Investments in India | | **10,098.07** | | 25,064.17 |
| (ii) Investments outside India | | **-** | | - |
| | | **10,098.07** | | 25,064.17 |
| **9. OTHER FINANCIAL ASSETS** | | | | |
| **(at amortised cost)** | | | | |
| Receivable from related parties for reimbursement of expenses | | **1.84** | | 18.08 |
| Security deposits | | **368.50** | | 200.19 |
| Other receivables | | **5,024.22** | | 1,513.21 |
| | | **5,394.56** | | 1,731.48 |
| **10(a). CURRENT TAX ASSETS (net)** | | | | |
| Advance Tax | | **3,176.36** | | 1,885.24 |
| Less: Provision for tax | | **(1,200.49)** | | (1,200.49) |
| Advance tax net of provision for tax | | **1,975.87** | | 684.75 |
| **10(b). CURRENT TAX LIABIITIES (net)** | | | | |
| Provision for Tax | | **837.06** | | 837.06 |
| Less: Advance Tax | | **(768.13)** | | (763.39) |
| Provision for Tax net of advance tax | | **68.93** | | 73.67 |

*(Amounts in ₹ lakhs)*

## 11. PROPERTY PLANT AND EQUIPMENT

| Particulars | Furniture and fixtures | Office equipment | Computers and equipment | Improvements to leasehold premises | Total |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| As at 1st April, 2021 | 97.26 | 84.47 | 171.84 | 294.31 | **647.88** |
| Additions | 31.71 | 66.24 | 144.77 | 57.57 | **300.29** |
| Disposals | (3.13) | (1.01) | - | - | **(4.14)** |
| **Closing gross carrying amount as at 31st March, 2022** | **125.84** | **149.70** | **316.61** | **351.88** | **944.03** |
| **Additions** | **130.32** | **74.01** | **362.50** | **104.99** | **671.82** |
| **Disposals** | **(6.22)** | **(5.30)** | **(21.76)** | **(24.17)** | **(57.45)** |
| **Closing gross carrying amount as at 31st March, 2023** | **249.94** | **218.41** | **657.35** | **432.70** | **1,558.40** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| As at 1st April, 2021 | 19.90 | 29.61 | 72.56 | 91.12 | **213.19** |
| Depreciation charge for the year | 11.63 | 23.12 | 70.76 | 65.75 | **171.26** |
| On deletions | (1.72) | (0.66) | - | - | **(2.38)** |
| **Closing accumulated depreciation as at 31st March, 2022** | **29.81** | **52.07** | **143.32** | **156.87** | **382.07** |
| **Depreciation charge for the year** | **16.24** | **34.04** | **129.47** | **85.00** | **264.75** |
| **On deletions** | **(1.75)** | **(3.50)** | **(20.47)** | **(14.27)** | **(39.99)** |
| **Closing accumulated depreciation as at 31st March, 2023** | **44.30** | **82.61** | **252.32** | **227.60** | **606.83** |
| | | | | | |
| **Net carrying amount as at 31st March, 2023** | **205.64** | **135.80** | **404.33** | **205.10** | **951.57** |
| Net carrying amount as at 31st March, 2022 | 96.03 | 97.63 | 173.29 | 195.01 | 561.96 |

Note: (i) The Group has not revalued its Property, Plant and Equipment
(ii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

## 12. GOODWILL

*(Amounts in ₹ lakhs)*

| Particulars | Amount |
|---|---|
| **Gross carrying amount as at 1st April, 2021** | 2,436.68 |
| **Additions** | - |
| Less: Accumulated impairment loss | - |
| **Closing gross carrying amount as at 31st March, 2022** | **2,436.68** |
| **Additions** | **2,300.28** |
| **Less: Accumulated impairment loss** | **-** |
| **Closing gross carrying amount as at 31st March, 2023** | **4,736.96** |

## 13. OTHER INTANGIBLE ASSETS

*(Amounts in ₹ lakhs)*

| Particulars | Amount |
|---|---|
| **Computer Software** | |
| **Gross carrying amount** | |
| As at 1st April, 2021 | 193.35 |
| Additions | 172.70 |
| **Closing gross carrying amount as at 31st March, 2022** | **366.05** |
| **Additions** | **679.62** |
| **Disposals** | **-** |
| **Closing gross carrying amount as at 31st March, 2023** | **1,045.67** |
| | |
| **Accumulated Amortisation** | |
| As at 1st April, 2021 | 133.59 |
| Amortisation charge for the year | 65.42 |
| **Closing accumulated depreciation as at 31st March, 2022** | **199.01** |
| **Amortisation charge for the year** | **183.83** |
| **On deletions** | **-** |
| **Closing accumulated depreciation as at 31st March, 2023** | **382.84** |
| | |
| **Net carrying amount as at 31st March, 2023** | **662.83** |
| Net carrying amount as at 31st March, 2022 | 167.04 |

## 13(a) INTANGIBLE ASSETS UNDER DEVELOPMENT

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| Softwares | 63.79 | - |
| **Total** | **63.79** | **-** |

The ageing for Intangible assets under development as on 31 March, 2023 is as follows

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 63.79 | - | - | - | 63.79 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | 63.79 | - | - | - | 63.79 |

There are no projects which are overdue for completion.

The ageing for Intangible assets under development as on 31 March, 2022 is as follows

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | - | - | - | - | - |

## 14. RIGHT TO USE AND LEASE LIABILITY MOVEMENT

*(Amounts in ₹ lakhs)*

| | 31st March 2023 | | 31st March 2022 | |
|---|---|---|---|---|
| | Right of use assets | Lease liabilities | Right of use assets | Lease liabilities |
| **Opening balance** | 1,601.51 | 1,704.43 | 1,181.12 | 1,231.24 |
| Effect of additional leases entered during the year (right of use is inclusive of security deposits of ₹33.42 lakhs) | 1,754.37 | 1,784.74 | 933.37 | 913.01 |
| Less: Amortisation during the year of Right of use asset | (609.76) | - | (486.59) | - |
| Add: Interest expense on lease liability | - | 186.18 | - | 131.97 |
| Less: Lease payments during the year | - | (712.03) | - | (543.32) |
| Add: Foreign currency translation effect | - | - | - | - |
| Preclosure of Lease agreement | (306.09) | (404.17) | (26.39) | (28.47) |
| **Closing balance** | **2,440.03** | **2,559.15** | **1,601.51** | **1,704.43** |

*(Amounts in ₹ lakhs)*

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| **15. OTHER NON-FINANCIAL ASSETS** | | |
| Prepaid expenses | **451.76** | 233.64 |
| Advance to suppliers for capital goods | **34.16** | 288.85 |
| Advance against expenses | **176.24** | 137.03 |
| GST Input credit | **588.54** | 512.81 |
| | **1,250.70** | 1,172.33 |

**16. DERIVATIVE FINANCIAL INSTRUMENTS**

| | **As at 31 March 2023** | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | **Notional amounts** | **Fair Value-Assets** | **Fair Value-Liabilities** | Notional amounts | Fair Value-Assets | Fair Value-Liabilities |
| Part I | | | | | | |
| (i) Currency derivatives: | | | | | | |
| Currency swaps | **5,695.59** | **-** | **89.21** | **-** | **-** | **-** |
| **Subtotal (i)** | **5,695.59** | **-** | **89.21** | - | - | - |
| (ii)Interest rate derivatives | | | | | | |
| Forward Rate Agreements and Interest Rate swaps | | | | | | |
| **Subtotal (ii)** | | | | | | |
| **Total Derivative Financial Instruments (i)+(ii)** | **5,695.59** | **-** | **89.21** | - | - | - |
| Part II | | | | | | |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| (i) Fair value hedging: | | | | | | |
| Currency derivatives | | | | | | |
| Interest Rate derivatives | | | | | | |
| **Subtotal (i)** | **-** | **-** | **-** | - | - | - |
| (ii) Cash flow hedging: | | | | | | |
| Currency derivatives | | | | | | |
| Interest rate derivatives | | | | | | |
| **Subtotal (ii)** | **-** | **-** | **-** | - | - | - |
| (iii) Undesignated Derivatives | | | | | | |
| Currency Swaps | | | | | | |
| **Subtotal (iii)** | | | | | | |
| **Total Derivative Financial (i)+(ii)+(iii)** | **-** | **-** | **-** | - | - | - |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **17. PAYABLES** | | |
| (at amortised cost) | | |
| i) total outstanding dues of micro enterprises and small enterprises | **51.30** | 99.44 |
| ii) total outstanding dues of creditors other than micro enterprises and small enter | **3,795.26** | 2,699.52 |
| | **3,846.56** | 2,798.96 |

**Payables ageing schedule**

**As at 31st March 2023**

| | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i)MSME | 51.30 | - | - | - | 51.30 |
| (ii)Others | 1,056.32 | 24.14 | - | - | 1,080.46 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Unbilled Dues | 2,713.00 | 1.80 | - | - | 2,714.80 |
| **Total** | **3,820.62** | **25.94** | **-** | - | **3,846.56** |

**As at 31st March 2022**

| | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i)MSME | 99.44 | - | - | - | 99.44 |
| (ii)Others | 1,097.42 | 32.88 | - | - | 1,130.30 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Unbilled Dues | 1,569.22 | - | - | - | 1,569.22 |
| **Total** | **2,766.08** | **32.88** | **-** | - | **2,798.96** |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **18. DEBT SECURITIES** | | |
| (Secured, at amortised cost, in India) | | |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 1st June, 2022 | **-** | 5,359.49 |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with original maturity date 23rd June, 2023, prepayment made on March 31, 2023. | **-** | 8,670.01 |
| 9.00% Non Convertible Debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 30th June, 2024 | **2,996.60** | 2,995.04 |
| 9.50% Non Convertible Debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 27th March, 2026 | **4,792.16** | - |
| Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 28th June, 2024 | **10,561.96** | - |
| Liabilities arising out of Securitisation transactions | **1,801.51** | - |
| **Less -** | | |
| PTC of a pool, which is acquired by the company & hence forms part of debt | **(1,269.67)** | - |
| | | |
| (Unsecured, at amortised cost, in India) | | |
| Subordinate Debt | **5,183.84** | - |
| Commercial Paper | **5,885.24** | - |
| | **29,951.62** | 17,024.54 |
| | | |
| **19. BORROWINGS (OTHER THAN DEBT SECURITIES)** | | |
| (at amortised cost) | | |
| (a) Term loans | | |
| (i) from banks | **1,13,363.33** | 73,533.39 |
| (ii) from other parties | **28,769.60** | 14,658.72 |
| (b) Loans from related parties [see note 41] | **5,000.00** | - |
| (c) Loans repayable on demand | **2,057.97** | 908.69 |
| Total | **1,49,190.90** | 89,100.80 |
| | | |
| Out of above | | |
| (i) Secured | **1,44,190.90** | 89,100.80 |
| (ii) Unsecured | **5,000.00** | - |
| Total | **1,49,190.90** | 89,100.80 |
| | | |
| (B) Out of above | | |
| (i) Borrowings in India | **1,49,190.90** | 89,100.80 |
| (ii) Borrowings outside India | **-** | - |
| Total | **1,49,190.90** | 89,100.80 |

**19A Borrowings (Contd.)**

**Terms of repayment of term loans**

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2023:

| Particulars | <1 year | 1-3 years | > 3 years | Total |
|---|---|---|---|---|
| | | | | |
| **For TL from Banks:** | | | | |
| Monthly installments | 7,225.72 | 10,137.50 | 1,820.16 | **19,183.39** |
| Quarterly Installments | 31,214.13 | 48,596.64 | 15,164.94 | **94,975.71** |
| | | | | |
| **For TL Other than Banks:** | | | | |
| Monthly installments | 9,898.38 | 5,149.46 | 80.27 | **15,128.12** |
| Quarterly Installments | 5,900.00 | 11,138.00 | 1,624.95 | **18,662.95** |
| | | | | |
| **Securitisation:** | | | | |
| Monthly installments | 1,758.29 | 33.85 | - | **1,792.14** |
| | | | | |
| **Total** | **55,996.53** | **75,055.46** | **18,690.33** | **1,49,742.31** |

(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

| Particulars | <1 year | 1-3 years | > 3 years | Total |
|---|---|---|---|---|
| | | | | |
| **For TL from Banks:** | | | | |
| Monthly installments | 2,368.75 | 3,623.44 | 338.02 | **6,330.21** |
| Quarterly Installments | 19,198.21 | 34,391.00 | 13,877.90 | **67,467.11** |
| Bullet repayment | 275.00 | - | - | **275.00** |
| | | | | |
| **For TL Other than Banks:** | | | | |
| Monthly installments | 3,444.45 | 3,500.00 | | **6,944.45** |
| Quarterly Installments | 1,750.00 | 3,371.35 | 2,625.00 | **7,746.35** |
| Bullet repayment | - | - | - | **-** |
| | | | | |
| **Securitisation:** | - | - | - | **-** |
| **Total** | **27,036.41** | **44,885.79** | **16,840.92** | **88,763.12** |

**Details of security given for secured loans:**

i. Secured by Pari-Passu charge on receivables from Financing business and other Current Assets.
ii. Rate of Interest for term loan from banks is in the range of 8.02% to 11.93%
iii. Rate of Interest for term loan from other than banks is in the range of 9.00% to 11.50%

**Other Notes:**

i. Borrowing amounting to Rs.10,625.00 lakhs (Principal outstanding) are secured by specific charge on receivables under financing activities. The Group has maintained the required security cover from 1.1 times to 1.2 times with respect to its debt securities.
ii. Term Loans were used fully for the purpose for which the same were obtained.
iii. The Group has not defaulted in the repayment of debt securities, borrowings (other than debt securities), subordinated liabilities and interest thereon for the year ended March 31, 2023 and March 31, 2022.
iv. No securitisation of charges are pending to be filed with ROC.

DISCLOSURES AS PER REGULATION Section 53 and 54 OF SEBI LODR REGULATIONS, 2015
- Debenture Trustee Details:
Vistra ITCL (India) Limited
Address: IL&FS Financial Centre, Plot C-22, G Block, 7th Floor, Mumbai, 400 051
Tel: +91 22 26593549, E-mail: mumbai@vistra.com
Website: www.vistraitcl.com

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Address : The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
Office :+91 22 4264 8335
Tel: +91 8657002633, E-mail: rushabh@vardhmantrustee.com
www.vardhmantrustee.com

The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **20. OTHER FINANCIAL LIABILITIES** | | |
| (at amortised cost) | | |
| Margin money deposits | **829.76** | 648.52 |
| Credit balance in client accounts | **147.75** | 33.15 |
| Book overdraft | **4,157.57** | 1,248.47 |
| Payable towards acquisition of business | **859.69** | 660.39 |
| Payable to related parties for reimbursement of expenses | **119.24** | 236.43 |
| Payable on account of EMI related to DA out/ co lending | **2,332.38** | 292.33 |
| Others | **398.37** | 103.40 |
| | **8,844.76** | 3,222.69 |
| **21. PROVISIONS** | | |
| Provision for employee benefits | | |
| Gratuity | **222.36** | 180.83 |
| Compensated absences | **42.64** | 74.04 |
| Provision for loan commitment | **29.60** | 10.06 |
| | **294.60** | 264.93 |
| **22. OTHER NON-FINANCIAL LIABILITIES** | | |
| Statutory dues | **568.58** | 363.40 |
| | **568.58** | 363.40 |

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 No. | As at 31st March, 2023 Amount | As at 31st March, 2022 No. | As at 31st March, 2022 Amount |
|---|---|---|---|---|
| **23. SHARE CAPITAL** | | | | |
| **Authorised :** | | | | |
| Equity shares of ₹ 10 each | **2,50,00,000** | **2,500.00** | 2,50,00,000 | 2,500.00 |
| **Issued, subscribed and fully paid-up:** | | | | |
| Equity shares of ₹ 10 each, fully paid up | **1,76,80,100** | **1,768.01** | 1,76,76,767 | 1,767.68 |
| **Issued, subscribed but not fully paid-up:** | | | | |
| Equity shares of ₹ 10 each ₹ 1, per share paid up | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| **Total** | | **1,809.72** | | 1,809.39 |

**23.01 Reconciliation of outstanding equity shares**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 No. | As at 31st March, 2023 Amount | As at 31st March, 2022 No. | As at 31st March, 2022 Amount |
|---|---|---|---|---|
| Fully paid up: | | | | |
| As at the beginning of the year | **1,76,76,767** | **1,767.68** | 1,76,75,100 | 1,767.51 |
| Add: Shares allotted upon under exercise of stock options | **3,333** | **0.33** | 1,667 | 0.17 |
| As at the end of the year | **1,76,80,100** | **1,768.01** | 1,76,76,767 | 1,767.68 |
| Not fully paid-up: | | | | |
| As at the beginning of the year | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| Add: Shares issued during the year | **-** | **-** | - | - |
| As at the end of the year | **41,71,105** | **41.71** | 41,71,105 | 41.71 |
| **Total** | **2,18,51,205** | **1,809.72** | 2,18,47,872 | 1,809.39 |

**23.02 Details of shares held by each shareholder holding more than 5% shares**

| | As at 31st March, 2023 No. | As at 31st March, 2023 % | As at 31st March, 2022 No. | As at 31st March, 2022 % |
|---|---|---|---|---|
| Ambit Private Limited, the holding Company | **1,35,12,605** | **61.84%*** | 1,35,12,605 | 61.84%* |
| Rising Sun Holdings Private Limited | **32,21,405** | **14.74%*** | 32,21,405 | 14.74%* |
| Jeevadravya Bio-Pharma Private Limited | **11,79,695** | **5.40%*** | 11,79,695 | 5.40%* |

*calculated based on total number of shares issued

**23.03** Details of Shares held by promoters at the end of the year

| | As at 31st March, 2023 No. | As at 31st March, 2023 % | % of Change during the year | As at 31st March, 2022 No. | As at 31st March, 2022 % | % of Change during the year |
|---|---|---|---|---|---|---|
| Ambit Private Limited, the holding Company | **1,35,12,605** | **61.84%*** | 0.00% | 1,35,12,605 | 61.85%* | 9.20% |

*The percentage change has been computed on the basis of number of shares.

**23.04** The Company has one class of shares, namely equity shares, having a par value of ₹ 10 per share, which rank pari passu in all respects including voting rights and entitlement of dividend. Partly paid-up shares shall rank pari-passu with the existing equity shares of the Company in all respects with respect to dividends and voting rights, only to the extent that the equity shares are paid-up. The dividend proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts.

**23.05** During the year, 3,333 equity shares (Previous year: 1,667) of Face value Rs. 10/- each were allotted at a premium of Rs. 296/- per share upon the exercise of employee stock options scheme.

**23.06** For details of equity shares reserved for issue under Employee Stock Option Schemes, see note 44.

**23.07** There are no shares in the preceding 5 years allotted as bonus shares / fully paid up without payment being received in cash. Further, there have been no buy back in preceding 5 years.

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **24. OTHER EQUITY** | | |
| (i) Statutory reserve [see footnote (i) below] | **3,459.56** | 2,798.10 |
| (ii) Securities premium [see footnote (ii) below] | **51,245.79** | 51,233.67 |
| (iii) Share options outstanding account see footnote (iii) | **317.44** | 159.17 |
| (iv) Retained earnings [see footnote (iv) below] | **13,557.99** | 10,794.36 |
| | **68,580.78** | **64,985.30** |

**Notes:**

(i) **Statutory Reserve**

Statutory reserve represents reserve created pursuant to the Reserve Bank of India (Amendment) Ordinance, 1997, as prescribed by section 45-IC of the Reserve Bank of India Act, 1934. The amount transferred to the special reserve is equivalent to 20% of the profit for the year.

(ii) **Securities premium**

Securities premium represents the premium collected on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) **Share options outstanding account**

Share options outstanding account represents cost recognised in the statement of profit & loss account in respective share options granted by the Holding Company to its employees under Ambit Finvest Employee Stock Option Scheme 2018.

(iv) **Retained earnings**

It represents the amount of accumulated profits and losses of the Group over the years that can be distributed by the Group as dividends to its equity shareholders.

(v) For detailed movement in the balance of Reserve and Surplus, refer Statement of changes in equity.

*(Amounts in ₹ lakhs)*

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **25. INTEREST INCOME** | | |
| (on financial assets measured at amortised cost) | | |
| Interest on loans | **25,851.69** | 16,707.24 |
| Interest on deposits with banks and financial institution | **768.46** | 385.10 |
| Interest income on PTC investments | **2,297.59** | 1,398.97 |
| Interest income on commercial paper | **116.78** | 39.76 |
| | **29,034.52** | 18,531.07 |
| **26. NET GAIN ON FAIR VALUE CHANGES** | | |
| Net gain on financial instruments at fair value through profit or loss | | |
| Investment in mutual funds: | | |
| - Realised | **117.47** | 24.51 |
| - Unrealised | **-** | - |
| Investment in Debentures | | |
| - Realised | **620.91** | 366.71 |
| - Unrealised | **-** | 3.00 |
| | **738.38** | **394.22** |
| **27. NET GAIN/(LOSS) ON DERECOGNITION OF FINANCIAL INSTRUMENTS** | | |
| Net Gain on Derecognition of the Financial Instruments | **3,540.82** | 1,469.90 |
| Net Loss on the sale of credit impaired assets* | **-** | (380.46) |
| | **3,540.82** | **1,089.44** |
| *net of provision for expected credit loss of Rs. Nil (Previous Year Rs. 346.21 Lakhs) | | |
| **28. FEES AND COMMISSION INCOME** | | |
| (on financial assets measured at amortised cost) | | |
| Other Financial charges | **207.56** | 38.68 |
| Prepayment charges | **642.52** | 265.20 |
| | **850.08** | **303.88** |
| **29. OTHER INCOME** | | |
| Unwinding of discount on security deposits | **33.10** | 18.10 |
| Profit on sale of Investment Property | **-** | 30.56 |
| Service charge | **888.54** | 86.14 |
| Miscellaneous income | **-** | 2.08 |
| | **921.64** | 136.88 |
| **30. FINANCE COSTS** | | |
| (on financial liabilities measured at amortised cost) | | |
| Interest on borrowings | **10,059.78** | 4,975.51 |
| Interest on Debt Securities | **1,861.43** | 1,331.71 |
| Interest on lease liabilities | **186.18** | 131.97 |
| Loan processing fees | **631.14** | 187.06 |
| | **12,738.53** | 6,626.25 |
| **31. NET LOSS ON FAIR VALUE CHANGES** | | |
| Net loss on financial instruments at fair value through profit or loss | | |
| On Derivatives | | |
| - Realised | **-** | - |
| - Unrealised | **89.21** | - |
| | **89.21** | **-** |

*(Amounts in ₹ lakhs)*

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **32. IMPAIRMENT OF FINANCIAL ASSETS** | | |
| Loans written off (net of recoveries) | **1,700.51** | 586.59 |
| Provision for expected credit loss | **1,191.79** | 164.40 |
| | **2,892.30** | 750.99 |
| | | |
| **33. EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries and other allowances | **9,137.99** | 6,111.96 |
| Employer's contribution to provident and other funds | **428.98** | 258.31 |
| Gratuity expense | **72.92** | 51.18 |
| Staff welfare expenses | **375.33** | 137.40 |
| | **10,015.22** | 6,558.85 |
| | | |
| **34. DEPRECIATION AND AMORTISATION EXPENSE** | | |
| On property, plant and equipment | **264.77** | 171.26 |
| On other intangible assets | **183.83** | 65.42 |
| On Investment Property | **-** | 2.79 |
| On right of use asset | **609.76** | 486.59 |
| | **1,058.36** | 726.06 |
| | | |
| **35. OTHER EXPENSES** | | |
| Rent | **117.14** | 87.67 |
| Repairs: Leasehold premises | **-** | 0.96 |
| Others | **37.77** | 21.38 |
| Insurance | **295.65** | 230.06 |
| Rates and taxes | **380.66** | 101.14 |
| Professional and legal charges | **842.32** | 615.31 |
| Credit appraisal charges | **816.81** | 324.36 |
| Payments to auditors- (refer note 37) | **33.67** | 25.41 |
| Electricity charges | **73.10** | 44.74 |
| Conveyance and travelling | **392.61** | 157.13 |
| Service charges | **49.81** | 49.97 |
| Office expenses | **257.70** | 145.25 |
| Communication expenses | **13.33** | 19.97 |
| Recruitment fees | **134.43** | 48.67 |
| Director's sitting fees and commission | **28.62** | 38.08 |
| Membership and subscription | **129.64** | 91.35 |
| Printing and stationery | **82.57** | 52.80 |
| Computer software expenses | **591.84** | 119.56 |
| Advertisement | **27.54** | 20.83 |
| Business promotion expenses | **97.65** | 11.55 |
| Postage and telegram | **65.59** | 38.97 |
| Bank charges | **17.30** | 47.83 |
| Expenditure on corporate social responsibility | **56.70** | 56.16 |
| Loss on sale of fixed assets | **17.46** | 1.77 |
| Miscellaneous expenses | **15.24** | 13.08 |
| | **4,575.15** | 2,364.00 |

*(Amounts in ₹ lakhs)*

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 36. | **Contingent Liabilities and commitments:** | | |
| | **(A) Contingent Liabilities** | | |
| | - Claims against the group not acknowledged as debts | | |
| | Income tax matters in respect of earlier years under dispute<br>Note:<br>Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions pending at relevant authority. | **10.77** | 10.77 |
| | **(B) Commitments** | | |
| | - Capital commitments towards property, plant and equipment | **286.94** | 3.75 |
| | - Loan Commitments | **8,254.42** | 3,414.67 |
| | | | |

*(Amounts in ₹ lakhs)*

| | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| 37. | **Payments to auditors (includes indirect taxes)** | | |
| | Audit fees | **27.46** | 23.25 |
| | Tax audit | | - |
| | Certification Fees | **4.58** | 2.15 |
| | Reimbursement of out of pocket expenses | **1.63** | - |

**38. Expenditure on Corporate Social Responsibility (CSR)**

*(Amounts in ₹ lakhs)*

| | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| (a) | Gross amount required to be spent by the Group during the year and approved by the Board | **56.70** | 56.16 |
| | | | |
| (b) | Amount spent during the year on: | | |
| (i) | Construction or acquisition of any asset | | - |
| (ii) | On Purposes other than (i) above | | |
| | Paid to Ambit Oditi Foundation for the objects including education, medical help etc. | **56.70** | 56.16 |
| | | **56.70** | 56.16 |
| | | | |
| (c) | Balance amount yet to be paid | **-** | - |

**Nature of CSR activities**

CSR Activities in both the year's included support to poor patients needing life saving organs transplant, construction of classrooms, distribution of food to needy children of various schools.

**39.** The Group has expense sharing and other arrangements with its holding group and fellow subsidiary companies. Arising from the foregoing, the amounts shown in the Statement of Profit and Loss are after inclusion of the following expenses:

*(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Employee benefits expense | | |
| - Salary and other allowances | 215.00 | 309.16 |
| - Employer's contribution to provident fund | 8.35 | 8.23 |
| - Staff Welfare | 23.00 | 6.44 |
| Rent | 25.29 | 30.38 |
| Repairs | 0.63 | 1.21 |
| Insurance | 41.00 | 39.21 |
| Rates and taxes | 1.12 | 0.33 |
| Professional and legal charges | 36.78 | 46.62 |
| Electricity charges | 2.60 | 2.59 |
| Conveyance and travelling | 18.32 | 4.15 |
| Commission Paid | - | 2.14 |
| Office expenses | 6.95 | 4.99 |
| Service charges | 36.35 | 49.74 |
| Communication expenses | 5.55 | 15.23 |
| Director's sitting fees and commission | 10.09 | 13.61 |
| Membership and subscription | 8.03 | 7.67 |
| Printing and stationery | 0.22 | 0.77 |
| Computer software expenses | 8.78 | 9.03 |
| Business promotion expenses | 4.87 | 1.52 |
| Miscellaneous expenses | 0.38 | - |

**40. Values used in calculating Earnings per share (EPS):**

| | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| (i) Numerator: Profit for the year ( in ₹ lakhs) | **3,402.01** | **2,570.91** |
| (ii) Denominator: Weighted average number of equity shares for basic earnings per share [see footnote-1] | **1,80,92,489** | 1,80,92,480 |
| Denominator: Weighted average number of equity shares for diluted earnings per share [see footnote-1] | **1,81,29,431** | 1,81,37,459 |
| (iii) Nominal value of equity shares (₹ ) | **10.00** | 10.00 |
| (iv) Earnings per share (₹ ) | | |
| - Basic | **18.80** | **14.21** |
| - Diluted | **18.77** | **14.17** |

Notes:

1. The partly paid up equity shares are entitled to participate in dividends and accordingly are not considered to be dilutive potential equity shares. Further, the share options granted during the year are exercisable at fair value of the equity shares during the reporting period and hence are not considered as dilutive.

2. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.

**41. Related parties disclosures**

**(i) Name of related parties and description of relationship**

**(a) An individual owning, indirectly, an interest in the voting power that gives him control**

- Ashok Wadhwa

**(b) Ultimate Holding Company**

- Ambit Private Limited

**(d) Key Management Personnel**

- Sanjay Sakhuja, Whole time Director and Executive Chairman
- Sanjay Agarwal, Whole time Director and Chief Executive Officer
- Vikrant Narang, Whole time Director and Deputy Chief Executive Officer
- Sanjay Dhoka, Whole-time Director and CFO & COO
- Ameet Nalin Parikh, Independent Director
- Shalini Kamath, Independent Director
- Mrutyunjayarao Kasturi, Independent Director

**(e) Fellow Subsidiary Company (with whom there are transactions)**

- Ambit Capital Private Limited
- Ambit Wealth Private Limited (till May 20, 2022)
- Ambit Investment Advisors Private Limited

**41. Related parties disclosures**

(ii) Transactions carried out with the related parties in (i) above, in ordinary course of business:

*(Amounts in ₹ lakhs)*

| Nature of transactions | Referred in i(b) | Referred in i(c) | Referred in i(d) | Referred in i(e) | Total |
|---|---|---|---|---|---|
| **Income** | | | | | |
| **Referral Fees and other cost recovery** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (11.97) | - | - | - | (11.97) |
| - Ambit Investment Advisors Private Limited | **-** | **-** | **-** | **9.80** | **9.80** |
| | - | - | - | (16.10) | (16.10) |
| **Expenses [see note 39]** | | | | | |
| - Recovered by Ambit Private Limited | **450.53** | **-** | **-** | **-** | **450.53** |
| | (550.48) | - | - | - | (550.48) |
| - Recovered by Ambit Capital Private Limited | | **-** | | **2.78** | **2.78** |
| | | - | | (2.54) | (2.54) |
| **Interest on loan** | | | | | |
| - Ambit Private Limited | **9.32** | **-** | **-** | **-** | **9.32** |
| | (50.82) | - | - | - | (50.82) |
| **Expenditure incurred by related party on behalf of the Company** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (39.80) | - | - | - | (39.80) |
| **Key Management Personnel Compensation** | | | | | |
| - Employee Benefit Expenses | **-** | **-** | **852.84** | **-** | **852.84** |
| | - | - | (1,172.01) | - | (1,172.01) |
| - Directors Sitting Fees | - | - | **16.00** | - | **16.00** |
| | - | - | (33.58) | - | (33.58) |
| **Loan taken** | | | | | |
| - Ambit Private Limited | **5,000.00** | **-** | **-** | **-** | **5,000.00** |
| | (9,700.00) | - | - | - | (9,700.00) |
| **Loan repaid** | | | | | |
| - Ambit Private Limited | **-** | **-** | **-** | **-** | **-** |
| | (9,700.00) | - | - | - | (9,700.00) |
| **Outstanding at year end** | | | | | |
| **Payable** | | | | | |
| - Ambit Private Limited | **5,119.06** | **-** | **-** | **-** | **5,119.06** |
| | (233.69) | - | - | - | (233.69) |
| - Ambit Capital Private Limited | **-** | **-** | **-** | **0.18** | **0.18** |
| | - | - | - | (2.74) | (2.74) |
| **Receivable** | | | | | |
| Key Management Personnel | **-** | **-** | **-** | **-** | **-** |
| | - | - | - | - | - |
| - Ambit Investment Advisors Private Limited | **-** | **-** | **-** | **1.84** | **1.84** |
| | - | - | - | (17.38) | (17.38) |
| **Guarantees and Collaterals Outstanding Corporate guarantees given by** | | | | | |
| - Ambit Private Limited | **9,430.23** | **-** | **-** | **-** | **9,430.23** |
| | (27,353.95) | - | - | - | (27,353.95) |

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year

**42. Employee Benefits:-**

**(a) Defined Contribution Plan**

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under 'Employee benefits expense', in note 33 for the year are as under:

*(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Employer's Contribution to Provident Fund | **263.10** | 181.49 |
| Employer's Contribution to Pension Funds | **158.70** | 73.18 |
| Employer's Contribution to ESIC and Labour welfare fund | **7.18** | 3.65 |

Note: The above includes expenses reimbursed to holding company [see note 39]

**(b) Defined Benefit Plan – Gratuity (Unfunded)**

*(Amounts in ₹ lakhs)*

| | | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| **I** | **Reconciliation of defined benefit obligation** | | |
| | Present value of defined benefit obligation as at the beginning of the year | **180.83** | 118.55 |
| | Current service cost | **13.15** | 43.10 |
| | Interest cost | **59.77** | 8.08 |
| | Benefits paid | **(0.55)** | (3.22) |
| | Actuarial losses on obligations - due to change in demographic assumption | **(52.24)** | 0.01 |
| | Actuarial losses on obligations - due to change in financial assumptions | **8.45** | (10.23) |
| | Actuarial (gain)/losses on obligations - due to experience | **12.95** | 24.54 |
| | Present value of defined benefit obligation as at the end of the year | **222.36** | 180.83 |
| **II** | **Net liability recognised in the Balance Sheet** | | |
| | Present value of defined benefit obligation recognised in the Balance Sheet (liability) | **222.36** | 180.83 |
| **III** | **Component of employer's expenses** | | |
| | Current service cost | **13.15** | 43.10 |
| | Interest cost | **59.77** | 8.08 |
| | Total expenses recognised in the Statement of Profit and Loss under note 30 'Employee benefits expense'. | **72.92** | 51.18 |
| | Actuarial losses on obligations - due to change in demographic assumption | **(52.24)** | 0.01 |
| | Actuarial losses on obligations - due to change in financial assumptions | **8.45** | (10.23) |
| | Actuarial (gain)/losses on obligations - due to experience | **12.95** | 24.54 |
| | Total expenses recognised in the Other Comprehensive Income (OCI) | **(30.84)** | 14.32 |
| **IV** | **Actuarial assumptions** | | |
| | Mortality table | **Indian Assured Lives Mortality (2012-14) Urban** | Indian Assured Lives Mortality (2012-14) Urban |
| | Discount rate | **7.20%** | 7.27% |
| | Salary escalation | **7.00%** | 7.00% |
| | Attrition rate: | | |
| | -For 4 years and below | **NA** | 12.00% |
| | -For 5 years and above | **NA** | 1.00% |
| | -Below VP | **34.00%** | NA |
| | -VP and above | **11.22%** | NA |
| **V** | (a) The estimates of rate of escalation in salaries considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. | | |
| | (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations. | | |

**42. Employee Benefits (contd).**

**(b) Defined Benefit Plan – Gratuity (Unfunded) [contd.]**

**(VI) Sensitivity analysis** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| **Increase/(decrease) on present value of defined benefit obligation at the end of the year:** | | |
| 1% increase in rate of discounting | **(7.99)** | (19.98) |
| 1% decrease in rate of discounting | **8.69** | 23.97 |
| 1% increase in rate of salary increase | **8.62** | 23.79 |
| 1% decrease in rate of salary increase | **(8.07)** | (20.20) |
| 1% increase in rate of employee turnover | **(1.98)** | (1.67) |
| 1% decrease in rate of employee turnover | **2.03** | 1.63 |

The above sensitivity analyses is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.
Since the Defined benefit plan is unfunded the expected contribution to post employement benefit plan for the next financial year is Nil.

**(VII) Maturity analysis of the benefit payments: from the employer** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Projected benefits payable in future years from the date of reporting: | | |
| 1st following year | **47.14** | 21.37 |
| 2nd following year | **30.13** | 1.72 |
| 3rd following year | **27.59** | 2.16 |
| 4th following year | **27.99** | 2.48 |
| 5th following year | **26.56** | 2.94 |
| Sum of years 6 to 10 | **94.12** | 92.12 |
| Sum of years 11 and above | **53.92** | 415.67 |

This will include the weighted average duration of the defined benefit obligation.
An entity shall disclose a description of any asset-liability matching strategies used by the plan or the entity, including the use of annuities and other techniques, such as longevity swaps, to manage risk.

**(c) Other long term benefit-compensated absences:** *(Amounts in ₹ lakhs)*

| | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Amount recognised/(reversed) in respect of compensated absences in the Statement of Profit and Loss under 'Salaries and other allowances' [see note 33]. | **(31.40)** | 31.28 |

**(d)** The information given in (b) and (c) above are as certified by the actuary.

**(e) Risks associated with defined benefit plans**

Gratuity is a defined benefit plan and company is exposed to the following risks:

(i) Interest rate risk:
A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.

(ii) Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Asset Liability Matching (ALM) risk:
The plan faces the ALM risk as to the matching cash flow. The company has to manage pay-out based on pay as you go basis from own funds.

(iv) Mortality risk:
Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**43. Disclosure required under section 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

| **PARTICULARS** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 51.30 | 99.44 |
| b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| **Total** | 51.30 | 99.44 |

**44. Share based payments - Employee Stock Option Scheme:**

1(a). During financial year 2018-2019, the Company has adopted Ambit Finvest Employee Stock Option Scheme 2018 ("ESOP Scheme") for grant of stock options to the eligible employees as approved by the Board of Directors and Shareholders. The scheme will continue till the time of expiry/exercise of all the granted stock options.

The ESOP Scheme was approved by the Board of Directors of the Company at its meeting held on 10th December, 2018 and by the shareholders of the Company at the Extra Ordinary General meeting held on 31st December, 2018. Terms of ESOP Scheme are as indicated below.

Pursuant to the ESOP Scheme, the Company has granted stock options to the eligible employees of the Company under equity settlement scheme against each underlying share of the Company of ₹ 10 each.

The vesting and exercise particulars of the stock options granted are as follows:

| | | | |
|---|---|---|---|
| **Vesting period for options granted** | As part of the vesting criteria, options would accrue on time-basis and/or performance-linked conditions, as determined by the Compensation Committee. All options granted and accrued, would vest as under: | | |
| | **Particulars** | **For the Options that are Granted on or before 28th February, 2019** | **For the Options that are Granted after 28th February, 2019** |
| | First Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on 31st March, 2021. | Accrued options not exceeding 33.33% of granted options on the third anniversary of the date of the issue of Letter of Grant. |
| | Second Vesting and the quantum | Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting. | Accrued options not exceeding 33.33% of granted options on the fourth anniversary of the date of the issue of Letter of Grant. |
| | Third Vesting and the quantum | Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting. | Accrued options not exceeding 33.34% of granted options on the fifth anniversary of the date of the issue of Letter of Grant. |
| **Exercise period** | Within 3 years from each vesting date | | |

The company has followed the fair value based method of accounting in accordance with Ind AS 102 'Share based payments' for stock options granted.

All options granted under the ESOP Scheme have been valued using an Option Pricing Model (Black Scholes Model). The main inputs to the model, the fair value of stock options, total charge and the compensation expense recognised are as under:

| | |
|---|---|
| Fair Value of each Equity Shares as per independent valuation | Rs. 306 (for options granted during the financial year ended 31st March, 2019)<br>Rs. 306 (for options granted during the financial year ended 31st March, 2020)<br>Rs. 530 (for options granted during the financial year ended 31st March, 2022)<br>Rs. 531 (for options granted during the financial year ended 31st March, 2023) |
| Lapse (Forfeiture) Rate [estimated] | 7.38% per annum |
| Volatility | Volatility is considered between 17.85% to 21.93% |
| Risk Free Rate | 8% per annum |
| Expected Dividends | Nil |
| Average Exercise period | 1.5 years |
| Time to Maturity (no. of days) | Vesting period + Average exercise period for each graded vesting |
| Weighted average fair value of options granted | Rs. 180.47 (previous year: Rs. 160.02) |
| Total charge over vesting period aggregating | Rs. 735.09 lakhs (previous year: Rs. 416.88 lakhs) |
| Charge for the year aggregating (amount in ₹ lakhs) | Rs. 160.52 lakhs (previous year: Rs. 97.09 lakhs) |
| Total charge up to the end of the year for ESOP Scheme aggregating (amount in ₹ lakhs) | Rs. 319.71 lakhs (previous year: Rs. 159.19 lakhs) |

**44. Share based payments - Employee Stock Option Scheme: (contd).**

1(b) The particulars of number of options granted, lapsed, exercised, outstanding, exercisable at the year end and weighted average exercise price are as follows:

*(Amounts in ₹ lakhs)*

| Particulars | For the year ended 31st March, 2023 | | | For the year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) |
| Outstanding as at the beginning of the year | **3,51,000** | **491.75** | **2.34** | 1,35,000 | 306.00 | 1.53 |
| Granted during the year | **1,87,500** | **531.00** | **-** | 2,53,500 | 530.00 | - |
| Lapsed during the year | **21,667** | **461.54** | **-** | 35,833 | 321.63 | - |
| Exercised during the year | **3,333** | **306.00** | **-** | 1,667 | 306.00 | - |
| Outstanding at the end of the year | **5,13,500** | **491.09** | **2.18** | 3,51,000 | 491.75 | 2.34 |
| Exercisable at the end of the year | **53,332** | **306.00** | **-** | 23,333 | 306.00 | - |

Range of exercise price for the grant as on 31st March, 2023 is Rs. 306-Rs. 531 (As at 31st March, 2022- Rs. 306-Rs. 530)

**44. Share based payments - Employee Stock Option Scheme:**

2(a) Pursuant to the Scheme of Amalgamation, erstwhile Ambit Holdings Private Limited ("AHPL") was merged into the Ambit Private Limited, the company's holding Company with effect from 1st April, 2015. The erstwhile AHPL had long term incentive plans i.e.Ambit LTIP 2009 and Ambit LTIP 2011 for grant of stock options to the eligible employees as approved by the Board of Directors and Shareholders of the erstwhile AHPL. These schemes continue till the time of expiry/exercise of all the earlier granted stock options.

Pursuant to Ambit LTIP 2009 and Ambit LTIP 2011, the erstwhile AHPL had granted stock options to the eligible employees of the Company and its other subsidiaries, under equity settlement scheme against each underlying share of the erstwhile AHPL of ₹5 each.

In accordance with the Scheme of Amalgamation, the ESOP Holders of erstwhile AHPL were issued ESOPs in the Company based on the exchange ratio on the same terms and conditions.

The vesting and exercise particulars of the stock options granted are as follows:

<table>
<tr><th>Particulars</th><th colspan="2">AMBIT LTIP 2009/ LTIP 2011</th></tr>
<tr><td rowspan="2">Vesting period for options granted (see note below)</td><td colspan="2">As part of the vesting criteria, options would accrue on time-basis and/or performance-linked conditions, as determined by the Compensation Committee.</td></tr>
<tr><td>All options granted and accrued and which have been Eligible for Vesting ("EFV") as on 31st March, 2014, would vest as under:</td><td>All options granted and accrued and which have not been EFV as on 31st March, 2014, would vest as under:</td></tr>
<tr><td>First Vesting and the quantum</td><td>Accrued options not exceeding 33.33% of granted options on earlier of 31st March, 2016 or the event of Initial Public Offer of the Shares of the Company's holding Company resulting in a listing of the Shares on any recognised Stock Exchange.</td><td>Accrued options not exceeding 50% of granted options on immediately they become EFV.</td></tr>
<tr><td>Second Vesting and the quantum</td><td>Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting.</td><td>Accrued options not exceeding 50% of granted options on the first anniversary of the First Vesting.</td></tr>
<tr><td>Third Vesting and the quantum</td><td>Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting.</td><td>-</td></tr>
<tr><td>Exercise Period</td><td colspan="2">Within 3 years from each vesting date except for the grants whose exercise period expires on or before 31st March, 2022, the exercise period is extended to 31st March,2022.</td></tr>
</table>

The Company follows fair value based method of accounting for stock options granted in accordance with Ind AS 102 'Share based payments'.

Note:

During the previous financial year 2021-22, employee stock options under Ambit LTIP 2009 and/or Ambit LTIP 2011 which were vesting during financial year 2022-23, were given option of aceelerated vesting, provided the options are exercised by March 25, 2022.

**44. Share based payments - Employee Stock Option Scheme: (contd).**

2(b) The particulars of number of options granted, lapsed, exercised, outstanding, exercisable at the year end and weighted average exercise price are as follows:

*(Amounts in ₹ lakhs)*

| **Particulars** | **For the year ended 31st March, 2023** | | | For the year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price ₹** | **Weighted average remaining contractual life (years)** | No. of options | Weighted average exercise price ₹ | Weighted average remaining contractual life (years) |
| **Ambit LTIP 2009/ Ambit LTIP 2011** | | | | | | |
| Outstanding as at the beginning of the year | **38,250** | **1,216.64** | **1.53** | 53,501 | 1,199.04 | 1.06 |
| Granted during the year | **-** | **-** | **-** | 1,500 | 1,675.00 | - |
| Lapsed during the year | **1,500** | **1,675.00** | **-** | - | - | - |
| Exercised during the year | **-** | **-** | **-** | 16,751 | 1,201.46 | - |
| Outstanding at the end of the year | **36,750** | **1,197.93** | **0.60** | 38,250 | 1,216.64 | 1.53 |
| Exercisable at the end of the year | **19,250** | **1,027.88** | **-** | 17,071 | 990.24 | - |

**45. 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 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **Financial Assets** | | | | | | |
| (a) Cash and cash equivalents | 8,050.74 | - | 8,050.74 | 9,937.37 | - | 9,937.37 |
| (b) Bank balance other than cash and cash equivalents | 5,575.85 | 487.87 | 6,063.72 | 3,387.81 | 2,000.00 | 5,387.81 |
| (c) Trade Receivables | 496.92 | - | 496.92 | - | - | - |
| (d) Loans | 76,963.71 | 1,46,436.85 | 2,23,400.56 | 40,013.01 | 90,015.46 | 1,30,028.47 |
| (e) Investments | 7,081.67 | 3,016.40 | 10,098.07 | 16,446.14 | 10,669.03 | 27,115.17 |
| (f) Other financial assets | 3,646.11 | 1,748.45 | 5,394.56 | 866.36 | 867.24 | 1,733.60 |
| **Non-financial Assets** | | | | | | |
| (a) Current tax assets (net) | - | 1,975.87 | 1,975.87 | - | 683.11 | 683.11 |
| (b) Deferred tax assets (net) | - | 218.54 | 218.54 | - | 528.15 | 528.15 |
| (c) Property, Plant and Equipment | - | 951.52 | 951.52 | - | 561.96 | 561.96 |
| (d) Goodwill | - | 4,736.96 | 4,736.96 | - | 2,436.68 | 2,436.68 |
| (e) Other Intangible assets | - | 662.83 | 662.83 | - | 167.04 | 167.04 |
| (f) Intangible Assest under Development | | 63.79 | 63.79 | - | - | - |
| (g) Right of use asset | 768.54 | 1,671.49 | 2,440.03 | - | 1,601.51 | 1,601.51 |
| (h) Other non-financial assets | 628.00 | 622.70 | 1,250.70 | 883.48 | 288.85 | 1,172.33 |
| **TOTAL ASSETS** | 1,03,211.54 | 1,62,593.27 | 2,65,804.81 | 71,534.17 | 1,09,819.03 | 1,81,353.20 |
| **LIABILITIES** | | | | | | |
| **Financial Liabilities** | | | | | | |
| (a) Derivative Financials Instruments | 89.21 | - | 89.21 | - | - | - |
| (b) Trade Payables | | | | | | |
| (i) enterprises and small enterprises | 51.30 | - | 51.30 | 99.44 | - | 99.44 |
| (ii) enterprises other than micro | 3,795.26 | - | 3,795.26 | 2,989.85 | - | 2,989.85 |
| (c) Debt securities | 6,567.06 | 23,384.56 | 29,951.62 | 5,359.49 | 11,665.05 | 17,024.54 |
| (d) Borrowings (other than debt securities) | 56,043.63 | 93,147.27 | 1,49,190.90 | 27,822.05 | 61,278.75 | 89,100.80 |
| (e) Lease liabilities | 742.64 | 1,816.51 | 2,559.15 | 438.55 | 1,265.88 | 1,704.43 |
| (f) Other financial liabilities | 8,645.46 | 199.30 | 8,844.76 | 2,930.36 | - | 2,930.36 |
| **Non-financial Liabilities** | | | | | | |
| (a) Current tax liabilities (net) | 68.93 | - | 68.93 | 73.67 | - | 73.67 |
| (b) Provisions | 89.95 | 204.65 | 294.60 | 39.12 | 225.81 | 264.93 |
| (c) Other non-financial liabilities | 568.58 | - | 568.58 | 363.18 | - | 363.18 |
| **TOTAL LIABILITIES** | 76,662.02 | 1,18,752.29 | 1,95,414.31 | 40,115.71 | 74,435.49 | 1,14,551.20 |
| **NET TOTAL ASSETS** | 26,549.52 | 43,840.98 | 70,390.50 | 31,418.46 | 35,383.54 | 66,802.00 |

**46. Leases:-**

As a lessee the Group classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases generally are with a periodicity of one to ten years. Leases include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

Righ-of-use assets and Lease liabilities are presented separately on the face of the balance sheet.

Information about leases for which the Group is a lessee is presented below.

**(I). Right-of-use assets**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 1,601.51 | 1,181.12 |
| Additions during the year | 1,754.37 | 933.37 |
| Deletion during the year | (306.09) | (26.39) |
| Depreciation charge for the year | (609.76) | (486.59) |
| **Closing balance** | **2,440.03** | **1,601.51** |

**(II). Movement of Lease liabilities**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 1,704.43 | 1,231.24 |
| Additions during the year | 1,784.74 | 913.01 |
| Deletion during the year | (404.17) | (28.47) |
| Finance cost | 186.18 | 131.97 |
| Payment of lease liabilities | (712.03) | (543.32) |
| **Closing balance** | **2,559.15** | **1,704.43** |

**(III) Future minimum lease payments under non-cancellable operating leases were payable as**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Less than one years | 742.65 | 434.32 |
| Between one and three years | 1,654.34 | 1,119.23 |
| More than three years | 162.16 | 150.88 |
| **Total** | **2,559.15** | **1,704.43** |

**(IV). Amounts recognized in the Statement of Profit and Loss**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Short-term lease rent expense | 712.03 | 543.32 |
| Interest on lease liabilities | 186.18 | 131.97 |
| Depreciation of ROU asset | 609.76 | 486.59 |
| Gain/(loss) on termination of leases | 10.80 | 2.08 |

**(V). Amounts recognised In statement of cash flows**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Total cash outflow for leases | 712.03 | 543.32 |

1) Group has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

**47. Revenue from contracts with customers**

**(a) Below table provides disaggregation of the Group's revenue from contracts with customers**

*(Amounts in ₹ lakhs)*

| | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **i.** | **Type of service** | | |
| | **- Service Charge** | **888.54** | **86.14** |
| | **Total** | **888.54** | **86.14** |
| | | | |
| **ii.** | **Primary geographical market:** | | |
| | **- Outside India** | **-** | **-** |
| | **- India** | **888.54** | **86.14** |
| | **Total revenue from contracts with customers** | **888.54** | **86.14** |
| | | | |
| **iii.** | **Timing of revenue recognition** | | |
| | **- at a point in time upon rendering services** | **888.54** | **86.14** |
| | **- over period of time upon rendering services** | **-** | **-** |
| | **Total** | **888.54** | **86.14** |
| | | | |
| **iv.** | **Trade receivables towards contracts with customers** | | |
| | **- Opening Balance** | **-** | **-** |
| | **- Closing Balance** | **496.92** | **-** |
| | | | |
| **v.** | **Impairment on trade receivables towards contracts with customers** | **-** | **-** |

**(b) Reconciliation between revenue as per IndAS 108 Segment Reporting and revenue as per IndAS 115 Revenue from contract with customers**

The Group is engaged primarily in the business of financing activity and accordingly there are no separate reportable segment as per Ind AS 108 dealing with Operating Segment.

48. **Reconciliation of effective tax rate:-**

*(Amounts in ₹ lakhs)*

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Profit before tax** | **3,716.67** | 3,429.34 |
| Group's domestic tax rate | **25.17%** | 25.17% |
| Tax charge using Group's Statutory rate | **935.41** | 863.10 |
| **Tax effect of:** | | |
| Expenses disallowed for tax purpose | **14.27** | 14.19 |
| Expenses allowed for tax purpose | **-** | (0.36) |
| Deferred tax asset on goodwill reversed | **-** | - |
| Interest on income tax | **0.80** | - |
| Short/(excess) provision in respect of earlier years | **1.76** | - |
| Remeasurements of the defined benefit plans | **(7.76)** | 3.60 |
| Others * | **(629.82)** | (22.10) |
| **Total Income tax expense** | **314.66** | 858.43 |
| **Tax expenses as per Statement of profit and loss** | **314.66** | 858.43 |

*** During the year company has written off loan assets acquired in Business transfer arrangement with Digikredit Finance Limited as per its impairment policy (refer note no. 52). Gross value of loans have been written off though these were accounted, at the date of transfer, at fair value as per Ind AS 103 Business combination. The same has resulted in permanent difference between tax income and book income amounting to Rs.2,502.43 lakhs.**

49. **The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:**

*(Amounts in ₹ lakhs)*

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Deferred tax assets / (liabilities):** | | |
| Unamortised fees on Loans | **109.16** | 133.14 |
| Unamortised fees on Borrowings | **(298.78)** | (185.55) |
| Unamortised fees on Investments | **14.41** | - |
| Recognition of lease asset and right to use asset | **38.69** | 25.91 |
| Measurement of financial asset at fair value through profit or loss | **(852.80)** | (349.68) |
| Property, plant and equipment and intangible asset | **21.24** | 25.67 |
| Remeasurement of the defined benefit plans | **66.70** | 64.14 |
| Impairment on financial instruments | **1,114.47** | 814.52 |
| Disallowance u/s 43b | **5.45** | - |
| Carry forward lossed | **-** | 2.46 |
| **Net deferred tax asset** | **218.54** | 530.61 |

50. **Movement in deferred tax balances**

Movement in deferred tax balances for the year ended 31st March, 2023

*(Amounts in ₹ lakhs)*

| | Net balance 1st April, 2022 | Recognised in profit or loss | Recognised in OCI | Net balance 31st March, 2023 |
|---|---|---|---|---|
| **Deferred tax asset / (liabilities):** | | | | |
| Unamortised fees on Loans | 133.14 | (23.98) | - | **109.16** |
| Unamortised fees on Borrowings | (185.55) | (113.23) | - | **(298.78)** |
| Unamortised fees on Investments | - | 14.41 | - | **14.41** |
| Recognition of lease asset and right to use asset | 25.91 | 12.78 | | **38.69** |
| Measurement of financial asset at fair value through profit or loss | (349.68) | (495.36) | (7.76) | **(852.80)** |
| Property, plant and equipment and intangible asset | 25.67 | (4.43) | - | **21.24** |
| Remeasurement of the defined benefit plans | 64.14 | 2.56 | - | **66.70** |
| Impairment on financial instruments | 814.52 | 299.95 | - | **1,114.47** |
| Disallowance u/s 43b | - | 5.45 | - | **5.45** |
| Carry forward losses | 2.46 | (2.46) | - | **-** |
| **Net deferred tax asset** | **530.61** | **(304.31)** | **(7.76)** | **218.54** |

**Movement in deferred tax balances for the year ended 31st March, 2022**

*(Amounts in ₹ lakhs)*

| | Net balance 1st April, 2021 | Recognised in profit or loss | Recognised in OCI | Net balance 31st March, 2022 |
|---|---|---|---|---|
| **Deferred tax asset / (liabilities):** | | | | |
| Unamortised fees on Loans | 55.83 | 77.31 | - | 133.14 |
| Unamortised fees on Borrowings | (122.98) | (62.57) | - | (185.55) |
| Recognition of lease asset and right to use asset | 26.36 | (0.45) | | 25.91 |
| Measurement of financial asset at fair value through profit or loss | - | (353.28) | 3.60 | (349.68) |
| Property, plant and equipment and intangible asset | 21.62 | 4.05 | - | 25.67 |
| Remeasurement of the defined benefit plans | 43.88 | 20.26 | - | 64.14 |
| Impairment on financial instruments | 860.44 | (45.92) | - | 814.52 |
| Carry forward losses | | 2.46 | | 2.46 |
| **Net deferred tax asset** | **885.15** | **(358.14)** | **3.60** | **530.61** |

**51. Financial instruments**

**51.01 Capital Management**

The Group's objectives when managing capital are:

a. to ensure Group's ability to continue as a going concern.
b. to provide adequate return to shareholders.

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's management reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

**51.02 Categories of financial instruments and Fair Value Hierarchy**

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

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

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

*(Amounts in ₹ lakhs)*

| Particulars | Fair Value Hierarchy (Level) | As at 31st March, 2023 Carrying Value | As at 31st March, 2023 Fair Value | As at 31st March, 2022 Carrying Value | As at 31st March, 2022 Fair Value |
|---|---|---|---|---|---|
| **(I) Financial assets** | | | | | |
| **Measured at fair value through profit or loss** | | | | | |
| (a) Investments in Non convertible Debentures | 1 | **-** | **-** | 6,017.08 | 6,017.08 |
| **Measured at amortised cost** | | | | | |
| (a) Cash and cash equivalents | | **8,050.74** | **8,050.74** | 9,937.37 | 9,937.37 |
| (b) Bank balance other than cash and cash equivalents | | **6,063.72** | **6,063.72** | 5,387.81 | 5,387.81 |
| (c) Trade Receivables | | **496.92** | **496.92** | - | - |
| (d) Loans | 3 | **2,27,961.86** | **2,32,483.55** | 1,33,266.39 | 1,34,700.23 |
| (e) Investments | 3 | **10,110.62** | **10,087.70** | 19,106.35 | 19,147.22 |
| (f) Other financial assets | | **5,394.56** | **5,394.56** | 1,733.60 | 1,733.60 |
| **(II) Financial liabilities** | | | | | |
| **Measured at amortised cost** | | | | | |
| (a) Derivative Financials Instruments | | **89.21** | **89.21** | - | - |
| (b) Trade payables | | **3,846.56** | **3,846.56** | 3,089.29 | 3,089.29 |
| (c) Debt securities | 3 | **29,951.62** | **30,614.63** | 17,024.54 | 17,282.88 |
| (d) Borrowings (other than debt securities) | 3 | **1,49,190.90** | **1,51,001.09** | 89,100.80 | 90,390.06 |
| (e) Lease liabilities | 3 | **2,559.15** | **2,559.15** | 1,704.43 | 1,704.43 |
| (f) Other Financial Liabilities | | **8,844.76** | **8,844.76** | 2,930.36 | 2,930.36 |

The management has assessed that the carrying amounts of cash and cash equivalents, other financial assets, trade payables, lease liabilities and other financial liabilities are reasonable approximation to their fair value.

**51.03 Valuation Process**

The Group has valued the mutual fund and market linked debentures at FVTPL referring the net asset value as on the reporting date.

**51.04 Financial risk management objectives**

The Group has exposure to the following risks arising from financial instruments:

i. Market risk ;
ii. Interest rate risk;
iii. Credit risk ; and
iv. Liquidity risk

**(i) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The Group is domiciled in India and has its revenues and other transactions in its functional currency i.e. Rupees. Accordingly the Group is not exposed to any currency risk. Also the Group does not hold any equity investments in listed entities, accordingly the Group is not exposed to any equity price risk.

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to variable rate borrowings from financial institutions. The Group's fixed rate borrowings from are carried at amortised cost and are not subject to interest rate risk since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

*(Amounts in ₹ lakhs)*

| Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
|---|---|---|
| Fixed rate borrowings | **45,424.31** | 24,739.37 |
| Variable rate borrowings | **1,33,718.21** | 81,385.97 |
| **Total Borrowings** | **1,79,142.52** | 1,06,125.34 |

**Interest rate sensitivity - variable rate borrowings**

The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

*(Amounts in ₹ lakhs)*

| Particulars | Impact on Profit or Loss | | Impact on Profit or Loss | |
|---|---|---|---|---|
| | Year ended 31st March, 2023 | Year ended 31st March, 2022 | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
| Interest Rate increase by 100bps* | **(1,325.54)** | **-** | **(991.93)** | **-** |
| Interest Rate increase by 100bps* | **1,325.54** | **-** | **991.93** | **-** |
| Interest Rate increase by 50bps* | **-** | **(406.93)** | **-** | **(304.51)** |
| Interest Rate decrease by 50bps* | **-** | **406.93** | **-** | **304.51** |

* holding all other variables constant

**(iii) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and investment debt securities. The Group's policies for computation of expected credit loss are set out below:

**1. Expected credit Loss Methodology for loan portfolio**

The objective is to have sound methodology for computation of Expected Credit Losses (ECL) that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group including the parameters and assumption.

In formulating the methodology, the Management has considered the requirements of Para 5.5. and Appendix B – Para 5.5 of Ind AS 109. As per para 5.5.17 of Ind AS 109 on measurement of expected credit loss,

An entity shall measure expected credit losses of a financial instrument in a way that reflects:
(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The methodology outlined based on Ind AS 109 is a three stage approach for the recognition of impairment losses. The three stages of the model are based on the changes in the credit quality of the financial instrument since inception and the measurement of expected credit loss (ECL) for these assets is dependent on the stage classification as of the reporting date. Ind AS 109 also permits cash flow approach.

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(iii) Credit risk (contd.)**

**2. Portfolio Segmentation**

For the purpose of ECL computation, entire loan portfolio is segmented into homogenous risk segments. Common factors for segmentation may include asset classes, internal rating grade, size, geography, product, etc.

The various loan products include:

(i) Loan against property
(ii) SME Unsecured
(iii) Working capital loans
(iv) Education Loan
(v) NBFC Loans
(vi) Margin Funding
(vii) Business Loans / Structured Loans
(viii) Used Commercial Vehicle

**3. Stage wise Classification of Exposures**

Financial assets shall be classified into appropriate stages through the following three stages based on the changes in credit quality since initial recognition: Default shall be determined in a manner consistent with that used for internal credit risk management.

Stage-1: The Group classifies all advances up to 0-30 days default under this category.

Stage-2: Financial assets past due for 31 to 90 days are classified under this stage.

Stage-3: 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. Such loans are classified as credit impaired until all the overdue is repaid and DPD is zero. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

**4. 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. 12 month PD shall be derived based on historical data, default history based on credit rating and other method as suitable. Life time PD for Stage 2 Loans is derived based on survival formula which is (1 – (Probability of surviving in year 1) ^ remaining tenure).

**(i) SME Loans:**

As the SME division has a operating history of less than five years, the Group had appointed an independent agency for providing assistance and guidelines for the ECL calculation. Basis the guidance of the agency the broad methodology adopted for the purpose arriving at the Probability of Default for the different product of SME division is as follows

a. Stage 1: PD computed basis the 12 month forward looking data
b. Stage 2:Life time PD is computed using Vasick single factor model
c. Stage 3: PD of 100% considered for stage 3 cases

**(ii) Structured Finance Loans:**

In order to ascertain the ECL, the management has considered the Default Study Report by a credit rating agency.

**51. Financial instruments (contd.)**
**51.04 Financial risk management objectives (contd.)**
**(iii) Credit risk (contd.)**
**4. Probability of Default (PD) (contd.)**

**4.1 Loss Given Default (LGD)**

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, including from the realization of any collateral. It is usually expressed as a percentage of the Exposure at Default (EAD).

**4.2 Exposure at Default (EAD)**

The Exposure at Default is credit exposure of the Group. It is an amount that the Group is exposed to when a loan defaults. This includes the undrawn commitments to the extent the Group is obligated to honour it. EAD is computed as sum of principal outstanding (including overdue amount), interest accrued (due and overdue), undrawn commitments (expected drawdowns on committed facilities), other charges less any advance received less the value of collaterals after considering necessary haircuts, as applicable.

**5. Expected Credit Losses (ECL) approach**

| Particulars | Stage 1 (Performing) | Stage 2 (Under-performing) | Stage 3 (Non-performing) |
|---|---|---|---|
| ECL model | PD / LGD Model | PD / LGD Model | PD / LGD Model |
| ECL | 12 months ECL | Life time ECL | 100% |
| ECL Computation | (PD * LGD * EAD) | (PD * LGD * EAD) | (PD * LGD * EAD) |

**Notes:**

i. Stage wise classification of exposure into Stage 1, Stage 2 and Stage 3
ii. PD – Probability of Default
iii. LGD – Loss Given Default
iv. Exposure At Default

The ECL allowance 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.

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

Both Lifetime ECLs and 12-month ECLs are calculated either on an individual basis or on a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Necessary adjustments are done while calculating ECL for the cases covered under following:
First loss Default Guarantee (FLDG)
Emergency Credit Line guarantee scheme (ECLGS)
Credit Guarantee Funds Trust for Micro and Small Enterprises (CGTMSE)
Credit Guarantee Fund for Micro Units (CGFMU)

**51. Financial instruments (contd.)**

**51.04 Financial risk management objectives (contd.)**

**(iii) Credit risk (contd.)**

**6. Cash and cash equivalents**

The Group held cash and cash equivalents with credit worthy banks of ₹ 8050.74 lakhs, ₹ 11981.30 lakhs as at 31st March, 2023 and 31st March, 2022 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Other financial assets measured at amortised cost includes loans to group companies and others, security deposits, etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis. The Group does not perceive any credit risk related to loan given to group companies since these will have an additional financial support from promoters as and when necessary.

The Group has held its surplus funds in fixed deposits and investments. Considering the fixed deposits are investments are in short term nature, the credit worthiness of the institutions where such fixed deposits and investments are held and also their credit rating the management considers that there is no risk of any loss from deterioration in their value.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group has access to funds from banks and financial institutions. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Exposure to liquidity risk**

The below table provides details of the undiscounted cash flow (principal and interest) of non-derivative financial liabilities of the Group based on the remaining contractual maturity :

*(Amounts in ₹ lakhs)*

| | Particulars | 1 year or less | 1-2 years | 2-5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|---|
| **As at 31st March, 2023** | | | | | | | |
| **(a)** | **Derivative Financials Instruments** | **89.21** | **-** | **-** | **-** | **-** | **89.21** |
| **(b)** | **Trade payables** | **3,846.56** | **-** | **-** | **-** | **3,846.56** | **3,846.56** |
| **(c)** | **Debt securities** | **8,698.53** | **14,892.16** | **6,902.79** | **5,272.74** | **35,766.22** | **29,951.62** |
| **(d)** | **Borrowings (other than debt securities)** | **67,941.23** | **49,569.27** | **55,083.30** | **-** | **1,72,593.80** | **1,49,190.90** |
| **(e)** | **Lease liabilities** | **929.65** | **804.87** | **1,119.92** | **54.88** | **2,909.32** | **2,559.15** |
| **(f)** | **Other financial liabilities** | **8,645.46** | **199.30** | **-** | **-** | **8,844.76** | **8,844.76** |
| | | | | | | | |
| **As at 31st March, 2022** | | | | | | | |
| (a) | Derivative Financials Instruments | - | - | - | - | - | - |
| (b) | Trade payables | 2,766.08 | 32.88 | - | - | 2,798.96 | 2,798.96 |
| (c) | Debt securities | 5,747.19 | 10,088.12 | 3,277.80 | - | 19,113.11 | 17,024.54 |
| (d) | Borrowings (other than debt securities) | 34,749.61 | 33,728.96 | 41,587.39 | - | 1,10,065.96 | 89,100.80 |
| (e) | Lease liabilities | 573.68 | 582.04 | 808.45 | 68.97 | 2,033.14 | 1,704.43 |
| (f) | Other financial liabilities | 3,222.69 | - | - | - | 3,222.69 | 3,222.69 |

**Financing arrangements**

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

*(Amounts in ₹ lakhs)*

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| Floating rate term loan/Cash credit | **3,090.51** | 8,725.36 |
| Expiring within one year | **3,090.51** | 6,225.36 |
| Expiring beyond one year | **-** | 2,500.00 |

**52. Business Aquisition during the year:-**

On December 26, 2022, Ambit Finvest Private Limited (the "Company") has entered into a Business Transfer Agreement for the acquisition of certain lines of businesses pertaining to business loans to micro, small and medium sized enterprises of Digikredit Finance Private Limited as a "going concern" on a slump sale basis. Acquisition is accounted using the fair value as on the date of acquisition in accordance with requirement of Ind AS 103 "Business Combination".

Digikredit Finance Private Limited carrying on operations under brand name namely "SMECorner", is one of India's leading modern-age fintech companies.

The company has acquired the assets of SME Corner along with their 18 branches, 291 employees, business tie ups and their proprietary online platform, which would strengthen Company's digital lending and co-lending capabilities.

Purchase price allocation is as follows:

| **Particulars** | **Amounts (Rs. in lakhs)** |
|---|---|
| Assets | |
| Loan assets | 8,434.92 |
| Other assets | 1,246.65 |
| **Total Assets** | **9,681.57** |
| | |
| Liabilities | |
| Borrowings & Other Liabilities | (10,841.70) |
| Other Liabilities | (305.15) |
| **Total Liabilities** | **(11,146.85)** |
| | |
| **Net Asset acquired (A)** | **(1,465.28)** |
| | |
| **Purchase Consideration (B)** | **835.00** |
| | |
| **Goodwill attributed (A - B)** | **2,300.28** |

The Goodwill that generated represents value of potential gain from various business tie ups, digital sourcing contracts, in house technology development capabilities and physical infrastructure.

**53. Ratio Analysis and its elements**

| Ratio | Numerator | Denominator | 31st March 2023 | 31st March 2022 | Variance % | Reasons for Variance |
|---|---|---|---|---|---|---|
| | | | | | | |
| (a) Capital to risk weighted assets ratio (CRAR) | Total Capital Funds | Total risk weighted assets/ exposures | 27.88% | 38.93% | -28.39% | Increase in Loans and advances |
| -CRAR – Tier I capital (%) | Aggregate Tier I Capital (Net owned fund) | Total risk weighted assets/ exposures | 24.80% | 37.83% | -34.45% | |
| -CRAR – Tier II capital (%) | Aggregate Tier II Capital | Total risk weighted assets/ exposures | 3.08% | 1.10% | 180.13% | Increase in subordinated debt |
| (b) Liquidity Coverage Ratio (LCR) | | | NA | NA | | |

Note: Ratios other than disclosed above are not applicable hence not provided

**54. Disclosures as required under circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:**

**(i) Capital to Risk Asset Ratio ("CRAR")**

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| CRAR (%) | **27.88%** | 38.93% |
| CRAR – Tier I capital (%) | **24.80%** | 37.83% |
| CRAR – Tier II capital (%) | **3.08%** | 1.10% |
| Amount of Subordinated debt raised as Tier - II capital | **-** | - |
| Amount raised by issue of perpetual debt instruments | **-** | - |

**55. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

**A. Net assets i.e. total assets minus total liabilities**

*(Amounts in ₹ lakhs)*

| Name of the entity | % of consolidated net assets | As at 31st March, 2023 | % of consolidated net assets | As at 31st March, 2022 |
|---|---|---|---|---|
| **Parent** | | | | |
| Ambit Finvest Private Limited | | 70,303.12 | | 66,802.00 |
| Less: Inter company eliminations | | (2,051.00) | | (2,051.00) |
| | 96.96% | 68,252.12 | 96.94% | 64,751.00 |
| **Subsidiary** | | | | |
| Ambit Housing Finance Private Limited | 3.04% | 2,138.38 | 3.06% | 2,043.69 |
| **Total** | **100.00%** | **70,390.50** | **100.00%** | **66,794.69** |

**B. Share of profit and loss**

**Current Year**

*(Amounts in ₹ lakhs)*

| Name of the entity | Share of Profit / (Loss) | | Share of Other Comprehensive Income | | Share of Total Comprehensive Income | |
|---|---|---|---|---|---|---|
| | **% of consolidated profit and loss after tax** | **Amount** | **% of consolidated other comprehensive income** | **Amount** | **% of consolidated Total comprehensive income** | **Amount** |
| **Parent** | | | | | | |
| Ambit Finvest Private Limited | | 3,307.32 | | 23.08 | | 3,330.40 |
| Less: Inter company eliminations | | - | | - | | - |
| | 97.22% | 3,307.32 | 100.00% | 23.08 | 97.23% | 3,330.40 |
| **Subsidiary** | | | | | | |
| Ambit Housing Finance Private Limited | 2.78% | 94.69 | 0.00% | - | 2.78% | 94.69 |
| **Total** | **100.00%** | **3,402.01** | **100.00%** | **23.08** | **100.02%** | **3,425.09** |

**Previous Year**

| Name of the entity | Share of Profit / (Loss) | | Share of Other Comprehensive | | Share of Total Comprehensive | |
|---|---|---|---|---|---|---|
| | **% of consolidated profit and loss after tax** | **Amount** | **% of consolidated other comprehensive income** | **Amount** | **% of consolidated Total comprehensive income** | **Amount** |
| **Parent** | | | | | | |
| Ambit Finvest Private Limited | | 2,578.22 | | (10.72) | | 2,567.50 |
| Less: Inter company eliminations | | - | | - | | - |
| | 100.28% | 2,578.22 | 100.00% | (10.72) | 100.28% | 2,567.50 |
| **Subsidiary** | | | | | | |
| Ambit Housing Finance Private Limited | -0.28% | (7.31) | 0.00% | - | -0.28% | (7.31) |
| **Total** | **100.00%** | **2,570.91** | **100.00%** | **(10.72)** | **100.00%** | **2,560.19** |

**56.** The group is engaged primarily in the business of financing activity and accordingly there are no separate reportable segment as per Ind AS 108 dealing with Operating Segment

**57.** During the year, Group has reported fraud amounting to Rs. 88.90 lakhs during year ended March 31, 2023 (during the year ended March 31, 2022: Nil) vide form FMR 1.

**58.** During the current year, the Group has not entered into any forward rate agreements/interest rate swaps /Credit default swap contract, neither traded into any interest rate derivatives.

**59.** The Group continues to apply management overlays over and above ECL Model to consider the impact of the Covid-19 pandemic and other recovery parameters. As at 31st March, 2023, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at Rs. 547.38 lakhs (Rs. 680.21 lakhs as at 31st March 2022).

**60.** On 12th November, 2021, Reserve Bank of India issued circular clarifying certain aspects of Income Recognition, Asset Classification and Provisioning (IRACP) norms. Vide Circular No. DOR.STR.REC.85/21.04.048/2021-22 dated 15th February, 2022, the Reserve Bank of India had granted time till 30th September, 2022 to implement the revised IRACP norms. However, the Group has complied with those norms since the quarter ended 31st December 2021. The Group continues to hold loan loss provisions as per existing Expected Credit Loss (ECL) policy and maintains adequate ECL provision as per Ind AS 109, which are higher than the minimum provision stipulated in the IRACP norms.

**61.** The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Group, same are not covered:
a) The Group has not traded or invested in crypto currency or virtual currency during the financial year
b) The Group has not entered into any scheme of arrangement
c) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**62.** The Group does not have any transactions with companies struck off by the Registrar of Companies ('RoC') under section 248 of the Act, or under section 560 of the Companies Act, 1956.

**63.** Figures from the previous period/year have been regrouped, wherever necessary to coform to currrent period presentation.

**64. Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.

**In terms of our report attached**
**For M M Nissim & Co LLP**
Chartered Accountants
Firm Registration Number: 107122W/W100672

**On behalf of the Board of Directors**
**Ambit Finvest Private Limited**

| | | | |
|---|---|---|---|
| **SD/-** | **SD/-** | **SD/-** | **SD/-** |
| **Sanjay Khemani** | **Sanjay Sakhuja** | **Sanjay Dhoka** | **Neha Gandhi** |
| Partner | Whole Time Director and Executive Chairman | Whole Time Director, CFO and COO | Company Secretary M.No. ACS 55410 |
| Membership Number: 044577 | DIN: 00004370 | DIN: 00450023 | Place: Mumbai |
| Place: Mumbai | Date: 26th May 2023 | Date: 26th May 2023 | Date: 26th May 2023 |
| Date: 26th May 2023 | | | |