



EMPOWERING PROGRESS. GROWING TOGETHER.



CONTENTS

01-27

CORPORATE OVERVIEW

01	Introduction to Theme
02	About Asirvad
04	Turning Points
06	From The Desk of The Chairman
08	Managing Director's Communique
10	Our Robust Growth in Numbers
12	Tech-Enabled Progress
16	Embedding ESG for Responsible Growth
18	Corporate Social Responsibility
20	Board of Directors
24	Corporate Information

28-105

STATUTORY REPORTS

26	Management Discussion and Analysis
32	Board's Report
52	Corporate Governance Report

106-195

FINANCIAL STATEMENTS

104	Independent Auditor's Report
114	Financial Statements

At a Glance

₹ **2,731.94** Crores

Total Revenue

40.46 Lakhs

Active Borrowers

19,068

Employees



To view this report online, please visit:
www.asirvadmicrofinance.co.in

EMPOWERING PROGRESS. GROWING TOGETHER.

As we enter our 18th year, our operations continue to grow at a steady pace, owing to our ability to meet borrower requirements. Despite global and domestic challenges, the Indian economy's resilience and favourable domestic conditions have provided a solid foundation for growth.

Asirvad commenced operations in 2008, with two branches in Tamil Nadu and has expanded into an MFI with a pan-India presence. As the most geographically diversified MFI in terms of districts present as of March 31, 2023, and second in terms of presence in states, we have focussed on mitigating the key risk of regional concentration in the microfinance business.

We empower progress by prioritising financial inclusion, transparency and ease of interaction. As a relatively young NBFC-MFI with a CRISIL 'AA-' rating, we have established 58 lending relationships, including borrowings from 33 banks – comprising 8 public sector banks, 9 foreign banks and 16 private banks, as well as 11 NBFCs and other financial institutions.

We are a digitally-enabled MFI with automated loan processing capabilities, covering everything from borrower onboarding to disbursement. This includes borrower credentials validation through real-time integrated application programming interfaces ('APIs'). We have also enabled real-time integration with credit bureaus to analyse borrower tradeline reports, enabling quicker decision-making in loan processing. Our digitised loan process with cashless disbursements aims to minimise fraud and theft while reducing turnaround time.

Our growth has been supported by our Promoter, Manappuram Finance Limited, a listed NBFC primarily engaged in offering loans against gold in India. As a subsidiary of Manappuram Finance Limited, we leverage the 'Manappuram' brand and its established credentials.

Our business focusses on financial inclusion, along with ease of doing business with us. To cater to our borrower base, which includes women from rural areas, we offer simple and standardised microfinance products that are easy for borrowers to understand. Our primary target borrower segment is women in households who are engaged in income-generating activities or planning to start new income-generating activities on their own. Accordingly, we schedule meetings at convenient times, often before the workday begins, to accommodate their needs.

We focus on lending through the joint liability group ('JLG') model. JLG loans are based on a peer-liability sharing model through mutual guarantees, allowing borrowers to avail loans without collateral or security on an individual basis. This model promotes credit discipline through mutual support and prudent financial conduct within the group. .

To mitigate financial risks arising from the death of income earners within the household, we offer credit shield insurance to our borrowers and co-borrowers. Our commitment to fostering borrower engagement and capability building is further demonstrated through our non-financial, community outreach initiatives, such as financial literacy programmes and women entrepreneurship programmes.



ABOUT ASIRVAD

Our Company was incorporated as 'Asirvad Micro Finance Private Limited' at Chennai, Tamil Nadu as a private limited company under the Companies Act, 1956. A certificate of incorporation was granted by the Assistant Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Island on August 29, 2007. Subsequently, our Company was converted into a public limited company and the name of our Company was changed to 'Asirvad Micro Finance Limited'. The RBI granted a certificate of registration as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. Our Company was granted NBFC-MFI status by RBI effective October 4, 2013.

Product Basket



Micro Finance Loan



MSME Loan



Gold Loan



Vision

To empower the members at the bottom of the pyramid by providing financial assistance.



Mission

To organise groups of committed poor women and provide innovative financial services in a sustainable manner to alleviate poverty through viable income generation activities.



Values

A - Acceptance

S - Support

I - Integrity

R - Resilience

V - Viable

A - Adaptable

D - Dependable

Credit Rating

CRISIL AA-/Stable and
CARE AA-/Stable

Bank Loans (Long Term)

CRISIL PPMLD AA-/
Stable

Principal Protected Market Linked
Debentures

C1-Care Edge

COCA Report

CRISIL AA-/Stable and
CARE AA-/Stable

Non Convertible Debentures
(Long Term)

CRISIL A1+

Commercial Paper

CRISIL AA-/Stable

Subordinated Debt (Long Term)

CARE MFI 1

MFI Grading

FY 2023-24 Highlights

₹ 11,880.54 Crores

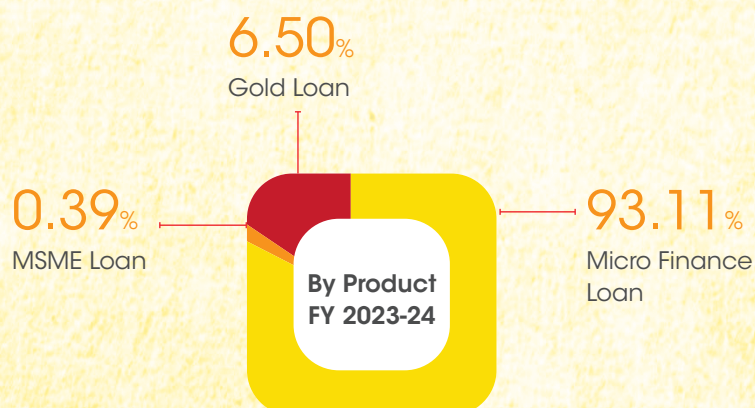
AUM ↑ 18.32% from FY 2022-23

₹ 458.30 Crores

PAT ↑ 105.12% from FY 2022-23

Revenue Break-up

By Product



TURNING POINTS

Reflecting on key moments since our inception. Each milestone underscores our commitment to innovation and sustainable development, empowering underserved individuals to integrate into mainstream credit systems.

Major events and milestones in the history of our Company



Crossed ₹ 30,000 Million in AUM

2019

Company was acquired by Manappuram Finance Limited

2015

Company obtained certificate of registration as an NBFC from RBI

2008

Incorporated as Asirvad Micro Finance Private Limited

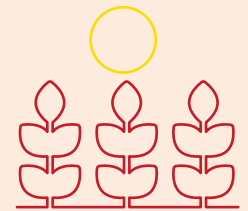
2008

2014

RBI granted NBFC-MFI status with effect from October 4, 2013

2017

Converted to a public limited company and name changed to Asirvad Micro Finance Limited





Crossed 2.50 Million active borrowers

2022

Crossed 1,000 branches under operation

2020

Crossed 2.00 Million active borrowers

2020

2020
Crossed ₹ 50,000 Million in AUM



FROM THE DESK OF THE CHAIRMAN



There are ample indications that the new political dispensation at the Centre will accord greater thrust to agriculture and rural segments. In this framework, micro finance assumes a critical role. The business model gives people at the bottom of the pyramid access to financial services provided by the formal sector and fosters financial inclusion.

Dear Shareholders,

It is with great pleasure that I present to you our 17th Annual Report for the year ended March 31, 2024.

The global economic landscape is continuing to witness turbulent times. Even as the Russia-Ukraine war rages on, a new conflagration between Hamas and Israel has erupted, with potentially destabilising effects on global trade and commerce. Dozens of countries had to re-route their trade, leading to spiralling logistics costs.

On another note, close to 50 countries will be going to polls in 2024 which will have ripple effects on trade and industrial relations between countries. The ominous signs of a trade war between arch-rivals China and US,

reminding us of Trump era politics, are already emerging with sanctions being imposed on Chinese imports into the US. Economic conditions in the UK are deteriorating, forcing the Conservatives to order a snap poll in July. Europe has just emerged from the shadows of an election. Notwithstanding this uncertain global landscape, India ended FY 2023-24 on a strong footing. With election-related uncertainties having died down, we now look forward to continuation of the reform momentum unleashed in the previous decade. I have no doubt that the future holds tremendous promise for Asirvad, which will reap the benefits of sustained economic growth prospects of India. The IPO will further catalyse the growth trajectory of our micro finance business.

Economic Outlook

Though the latest IMF World Economic Outlook has pegged global growth forecast for CY2024 at 3.2%, the conflagration between Israel and Palestine, drawing into its fold the likes of Houthis and Hezbollah, lends a downward bias to this outlook. As far as the advanced economies are concerned, though the US has seemingly managed to avert a recession, UK is still not out of the woods while European Union with a disparate group of 27 nations, suffers from its own troubles. However, India's GDP grew at a healthy rate of 8.2% in FY 2023-24, buoyed by manufacturing and service sectors though agriculture growth was subdued due to a tepid monsoon. The Indian Meteorological Department has forecast above normal monsoon in 2024, and this is indeed comforting since the fortunes of micro finance industry are strongly correlated with monsoons.

The year gone by has also witnessed a slew of developments in the regulatory sphere with the banking regulator hiking risk weights on select sectors. However, bank lending to NBFCs has not witnessed much impact due to such measures.

Overview of Microfinance Sector

There are ample indications that the new political dispensation at the Centre will accord greater thrust to agriculture and rural segments. In this framework, micro finance assumes a critical role. The business model gives people at the bottom of the pyramid access to financial services provided by the formal sector and fosters financial inclusion. It is therefore heartening to learn that according to data from Micrometer released by MFIN, the Gross Loan Portfolio (GLP) of the micro

finance industry grew by 15% in FY 2023-24 to touch ₹ 4.3 Lakh Crores, up from ₹ 3.5 Lakh Crores in the preceding year. The average ticket size for NBFC-MFIs also increased during the year.

NBFC-MFIs' Assets Under Management grew ~30% in fiscal 2024 Y-o-Y while growth in the last quarter of the fiscal was 10.5% sequentially. During FY 2023-24, NBFC-MFIs received a total of ₹ 89,308 Crores in debt funding, which is 29.1% higher than FY 2022-23. Banks contributed 69.7% of the total borrowing followed by non-bank entities at 14.8% and financial institutions at 7.9% while ECBs accounted for 4.1% while the rest constituted 3.5%. This funding profile indicates that MFIs have managed to diversify and de-risk their book. Companies have maintained healthy capital buffers, evident from healthy capital adequacy levels. Repayments are expected to be better going forward if monsoons live up to the predictions. Healthy capital buffers improved collections will ensure that disbursements will be ramped up in the coming fiscal as well. It is also pertinent to note that the interest rate trajectory is likely to look southwards, if CPI inflation reaches the target of 4% set by RBI.

Poised for Growth

The year gone by had seen stress in the rural segment as monsoons were disappointing. The distress was exacerbated by high rural inflation. However, fiscal 2024-25 could turn out to be different as the government has already given enough signs of concrete moves to lift up the agriculture sector which should augment rural demand and improve the fortunes of the micro finance industry. The Union Budget

2024-25 tentatively scheduled in July is expected to contain a slew of measures to revive the agriculture sector.

Performance of your Company

It is heartening that your Company was able to post a robust growth in profitability and AUM. The AUM of your company was ₹ 11,880.54 Crores with a net profit of ₹ 458 Crores in FY 2023-24. We now serve 4.05 Million customers, up from 3.34 Million recorded in the preceding year.

A Word of Gratitude

Finally, let me thank all our shareholders, our banking partners, the Reserve Bank of India and all other stakeholders for the support extended over the years. I take this opportunity to thank Mr. B.N. Raveendra Babu, Managing Director, and the entire team at Asirvad, for admirably steering the ship through choppy waters. I would also like to place on record my gratitude to Mr. S.V. Raja Vaidyanathan, the founder of the company and its Managing Director till June 30, 2021, for his many valuable contributions. Thanks to all their efforts, we are now well-positioned to consolidate our gains and grow further.

With best wishes,

V P Nandakumar
Chairman

MANAGING DIRECTOR'S COMMUNIQUE



Asirvad's operating income increased by 55.29%, to reach ₹ 2,732 Crores in FY 2023-24. This growth is attributed to our diligent efforts in expanding our outreach and strengthening our lending operations. Furthermore, our active customer base has expanded which demonstrates the continued trust and confidence of our borrowers in the company.

Dear Shareholders,

I am delighted to present to you the 17th annual report of the company. I feel privileged to have led Asirvad as its Managing Director during FY 2023-24. The company has successfully achieved new milestones and registered growth during the year.

The FY 2023-24 is a momentous year for the company as it enters its 18th year of operations. The last financial year marked a significant milestone for the company, as the company made a good progress on many fronts. During the year, it touched highest AUM, revenue and profit, representing the best performance since its inception.

During the financial year, we continue to record growth in AUM. AUM reached

₹ 11,880.54 Crores, which grew by 18.32% Y-o-Y. We disbursed MFI loans worth ₹ 9,322 Crores and the number of our active customers stood at 39 Lakhs. Asirvad's operating income increased by 55.29%, to reach ₹ 2,732 Crores in FY 2023-24. This growth is attributed to our diligent efforts in expanding our outreach and strengthening our lending operations. Furthermore, our active customer base has expanded which demonstrates the continued trust and confidence of our borrowers in the company.

The company continued its profitability journey, and our PAT doubled in the financial year to ₹ 458 Crores in FY 2023-24 from ₹ 223 Crores recorded in FY 2022-23. The significant growth in profits

suggests huge market opportunity available for long-term growth of the company. Healthy capital buffers and improvement in collections will ensure disbursements are ramped up in the coming fiscal as well. Our network criss-crosses the country.

Your Company was the first NBFC-MFI in the country to be awarded rating of AA- by CRISIL. We have consistently maintained this creditworthiness, a true reflection of our robust risk management practices and processes.

At Asirvad, we're firm believers that technology is the key to financial inclusion, and we're putting our money where our mouth is! We've invested heavily in building a powerful digital ecosystem, starting with a fully integrated core banking system. We have a core banking solution based loan management system integrated with core business functions of digital and offline collections, human resources and attendance, dedicated learning platform, borrower support, borrower grievance redressal, accounting, treasury, asset management and legal tracking. This puts us at the forefront of innovation, allowing us to:

Offer cashless disbursements: Say goodbye to cash! We disburse loans electronically, making the process faster and more secure.

Leverage cutting-edge cloud infrastructure: Our state-of-the-art cloud system ensures everything runs smoothly and securely.

Streamline customer onboarding: We use real-time integration with CIC for faster loan underwriting and automated

KYC checks, making the process efficient for you.

Embrace a paperless future: From centralised ledgers to a digital learning platform, we've minimised paper usage, promoting a more sustainable and efficient environment.

The dedication and teamwork of our entire team are the bedrock of these achievements and advancements. It brings us immense satisfaction that your Company's success goes hand-in-hand with empowering rural entrepreneurs and fuelling the nation's economic engine. This, in turn, strengthens the overall economic fabric of the country, creating a virtuous cycle of growth and prosperity. Your Company recognises the critical role that Microfinance Institutions (MFIs) play in bridging this financial gap, and we are committed to continuing this important work, ensuring no community is left behind.

As we celebrate our achievements, I would be remiss not to acknowledge the incredible support that has paved the way for our success. First and foremost, I want to express my heartfelt appreciation to the regulators. Their guidance has been instrumental in steering us on the right course, ensuring not only our own prosperity but also empowering us to extend a helping hand to those who are less fortunate. I am also deeply grateful to our esteemed Board members and the parent company. Their invaluable support and direction have been a constant source of strength and strategic wisdom. Finally, a deep thank you goes out to our shareholders and customers. Their unwavering trust in our mission is what fuels our continued growth. It's this collective belief that allows us to push boundaries

and make a positive impact on the communities we serve.

The journey of Asirvad has only begun. Together, we push the boundaries, prepare for what's to come, and break new ground to become the leaders of tomorrow.

With best wishes,

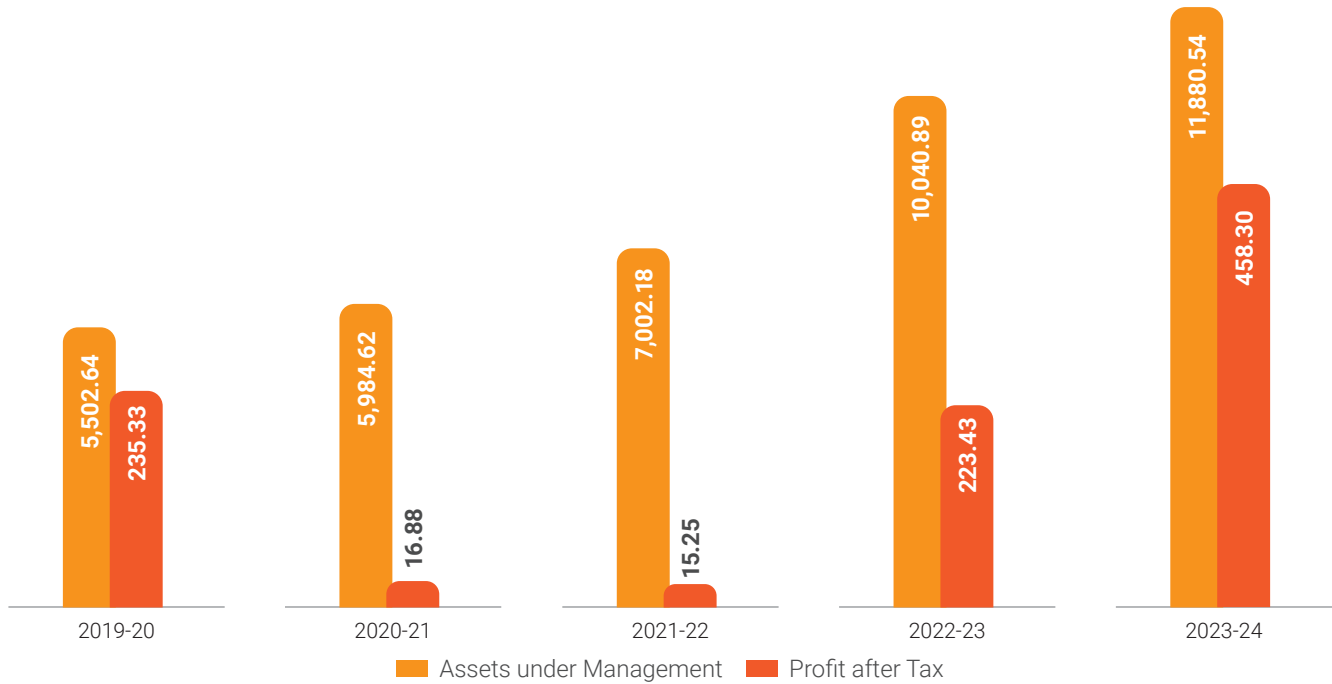
B.N. Raveendra Babu
Managing Director

OUR ROBUST GROWTH IN NUMBERS

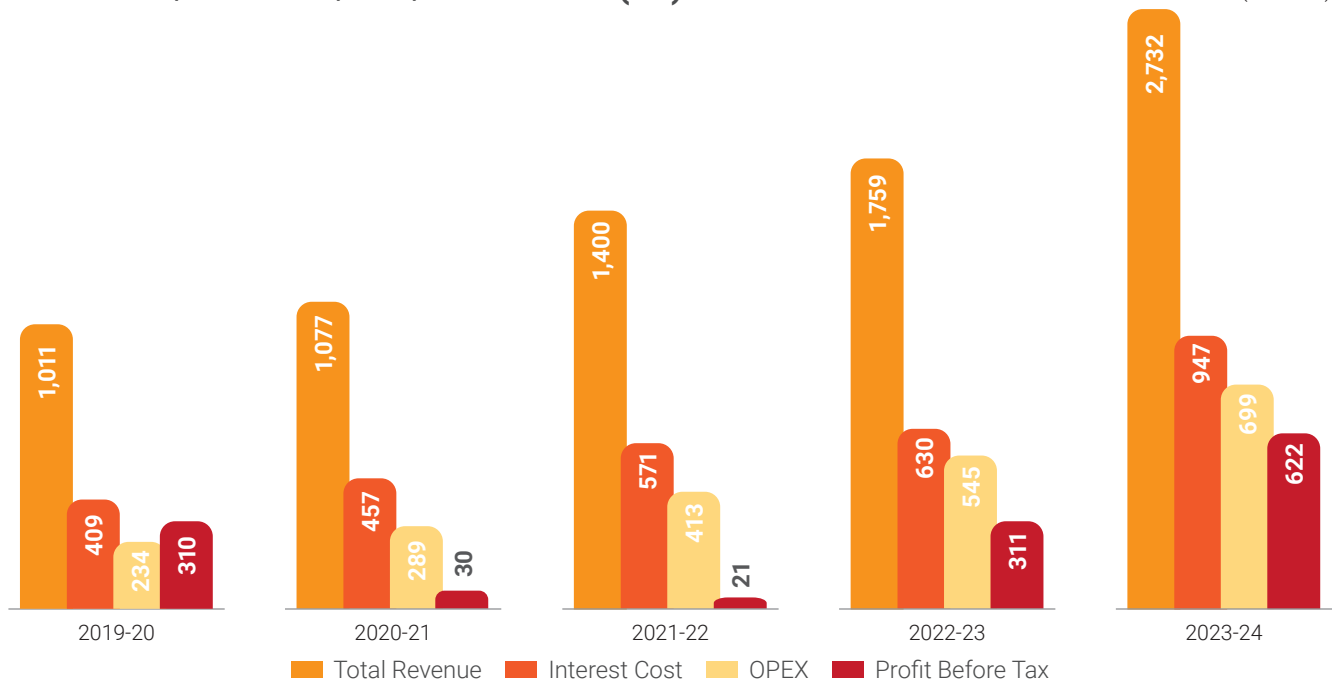
Financial Indicators

Assets Under Management & Profit After Tax

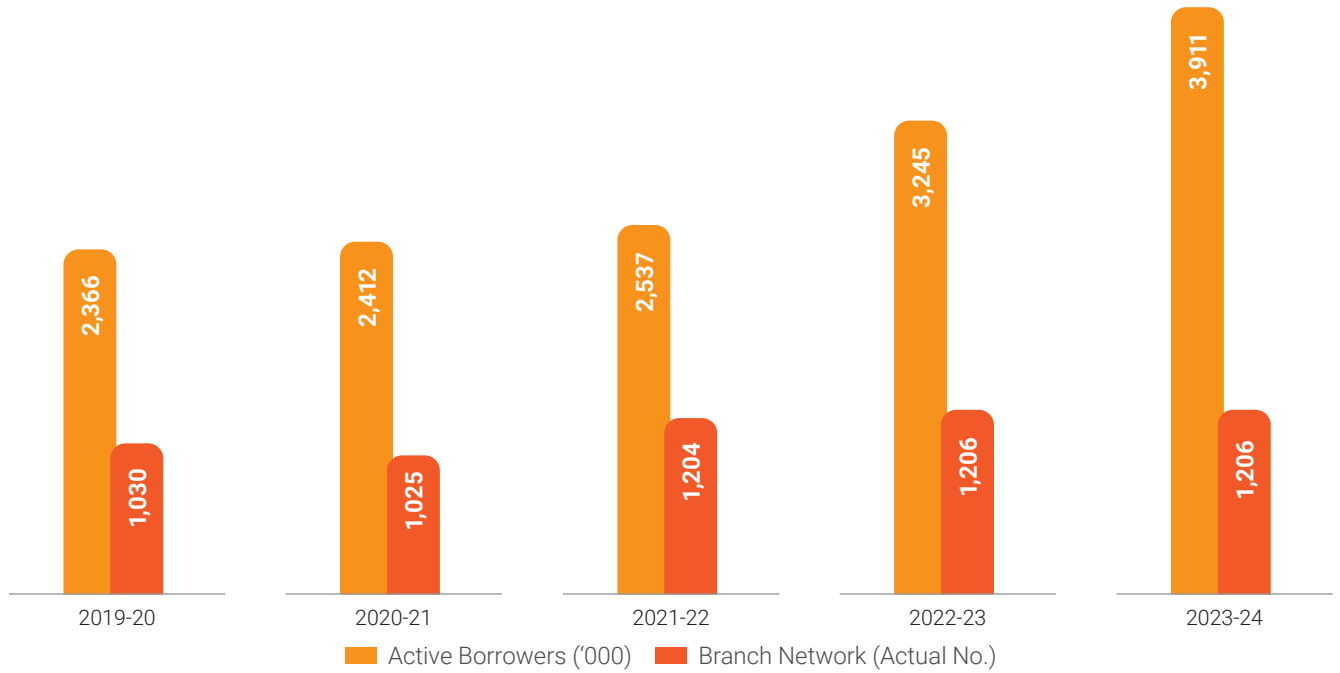
(₹ Crores)


Total Revenue, Interest Cost, OPEX, Profit Before Tax (PBT)

(₹ Crores)

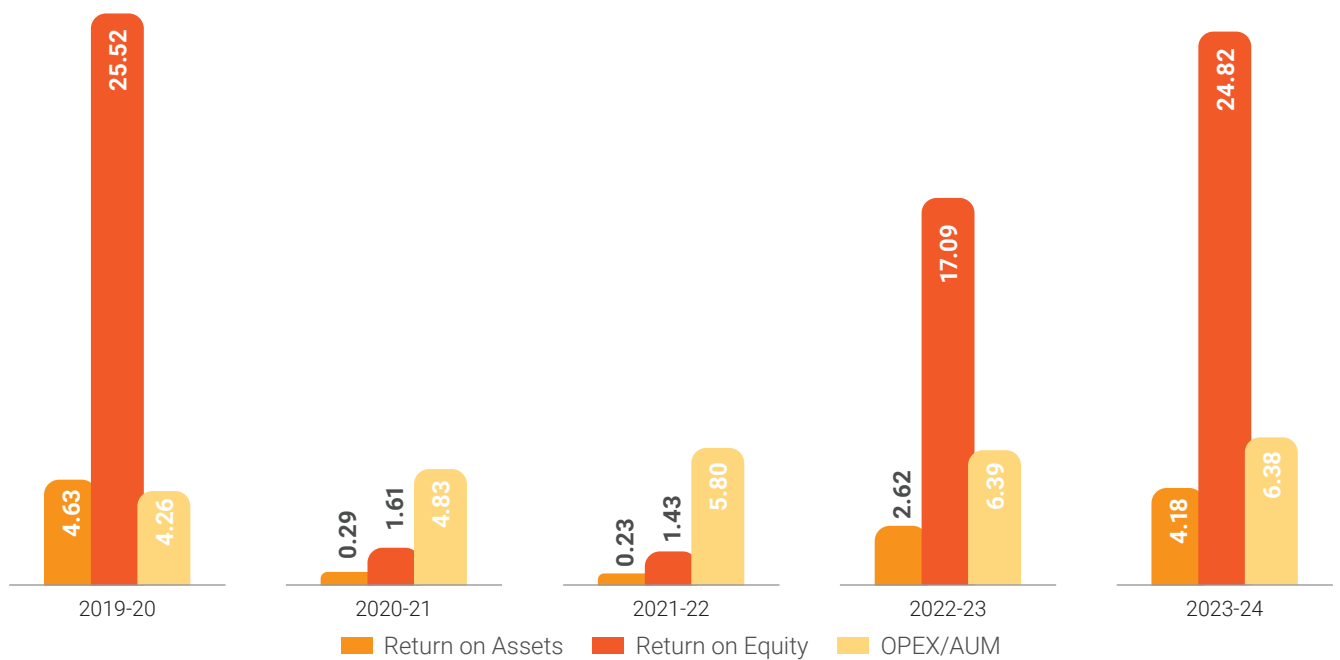


Operational Metrics (MFI)



Financial Ratios

(%)



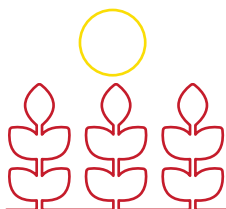
TECH-ENABLED PROGRESS

Recognising the microfinance business challenges of managing an expansive borrower base primarily based in rural areas, we have focussed on strengthening our infrastructure through digital means.

We have made significant investments in technology to strengthen our borrower onboarding mechanisms and business processes. Adopting technology has enabled us to streamline the entire loan lifecycle management, from borrower acquisition to appraisal, sanction, disbursement, monitoring, and recovery.

Advanced, Integrated and Scalable Technology-enabled Infrastructure

<div style="text-align: center;">  <p>1 LOS & LMS</p> </div> <ul style="list-style-type: none"> ◦ Digital on-boarding and credit assessment ◦ 100% cashless disbursement based on an online approval ◦ Offline collections enabled by tech with real-time updates to customers 	<div style="text-align: center;">  <p>2 Portfolio Analytics</p> </div> <ul style="list-style-type: none"> ◦ Robust portfolio analytics platform to enable data-driven decision-making ◦ Real-time reports to monitor disbursement and collection productivity 	<div style="text-align: center;">  <p>3 Cash Management System</p> </div> <ul style="list-style-type: none"> ◦ Integrated to payments bank cash collection system to collect cash from BM and automatic transfer to bank ◦ Automated payments to vendors, customers and employees
<div style="text-align: center;">  <p>4 Core HR & Accounts</p> </div> <ul style="list-style-type: none"> ◦ Employee self-service portal ◦ Automated payroll processing and core HR functions like employee lifecycle management ◦ Workforce management tool with insights to track activity of field officers 	<div style="text-align: center;">  <p>5 Legal Process Automation</p> </div> <ul style="list-style-type: none"> ◦ Legal process module for easy handling of legal cases ◦ Automation of legal case tracking from entry to its closure 	<div style="text-align: center;">  <p>6 Cyber Security</p> </div> <ul style="list-style-type: none"> ◦ MDM (Mobile Device Management) for strengthening end point security of tablets ◦ Next-gen antivirus solution ◦ Implemented ATP/DLP in email solution



Tech platform integrated with 20+ APIs of credit bureau, payment banks, collection systems, payment gateways, KYC, account validation partners etc.

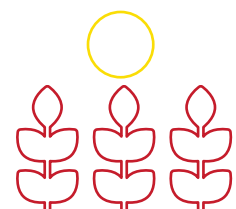


Our core banking-based Loan Management System (LMS) integrates with key business functions including digital and offline collections, Human Resources and attendance, a dedicated learning platform, borrower support, borrower grievance redressal, accounting, treasury, asset management and legal tracking. The LMS also connects seamlessly with digital service providers for borrower credential validation, verification of creditworthiness, bank account verification, workflow management, paperless approvals and digital meetings, among others.

We capture extensive data points through a microservices-driven, agile API stack, enabling independent validation from sources, borrower trade line reports, front-end team observations and management feedback. Our integrated loan management and origination

systems ensure seamless transaction processing and standardised processes across branches, all flowing into a cloud-based central repository. By operating a digitised loan process with cashless disbursements, we aim to minimise fraud and theft while reducing turnaround time.

Additionally, our Financial Accounting package and Human Resource Management System (HRMS) are largely integrated with the LMS, which utilises over 20 APIs of SMS providers, credit bureaus, payment bank collection systems, banks' payment systems, KYC validation partners, bank account validation partners, payment gateways and the Bharat Bill Payment System for collections.



Key Features of Our Tech Stack

Digital Onboarding and Credit Assessment

Digital Disbursement

Digital Cross selling Options

Offline/Digital Collection options

Digitised Insurance Claim process

MIS and Portfolio Analytics platform

Digital Cash Payment system

AI-based auto triggered interactive borrower calling system

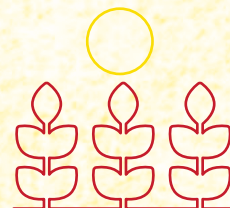
Aadhaar-based eKYC and eSign systems

ENACH System to automate MSME collections

Automated and Digital Board meeting

Comprehensive insider compliance portal automating all compliance processes

Legal process automation system



ISO 2001:2013 certification from BSI for the operationalisation of information security control

IS and Cyber Security Initiatives

- ◉ Operationalised ISO 27001: 2013 framework, certified by BSI
- ◉ Strengthened end point security on tablets provided to FDAs and other field employees
- ◉ Deployed antivirus solutions with inbuilt XDR features for end points
- ◉ Conducting annual comprehensive IT audits
- ◉ Performed annual disaster recovery drills to ensure business continuity
- ◉ Implemented advanced threat/data loss prevention in email solutions
- ◉ Documented business continuity plan for all critical departments concerning people, place, technology and vital records

Way Forward

As we expand, we anticipate the need to strengthen our digital presence to enable cashless and paper-free transactions across geographies.

- ◉ Ongoing investment in technology to increase our digital capabilities for improving onboarding, underwriting, business analytics, borrower experience, borrower retention, governance, risk management, improving data security infrastructure, cyber security components and building our tolerance to cybersecurity risks
- ◉ We intend to refine business analytics to further streamline our borrower classification for more accurate underwriting
- ◉ Focus on maximising retention of our borrowers with a good track record through accurate, comprehensive and fast data collection and analytics through integration with credit bureaus and other agencies that serve as repositories of borrower data
- ◉ Mitigation of default risks through automation to screen borrowers with early stage payment irregularities, in order to take corrective measures pre-emptively and reduce risk of delinquencies
- ◉ Enhancing borrower experience by reducing turnaround time for onboarding and disbursement, providing flexibility through payment options, real-time information on outstanding credit and payment positions and promptly addressing borrower grievances
- ◉ By advancing our digital and technology platforms, we aim to reduce operating costs and boost efficiencies. By enhanced data collection through IT, we aim for more accurate assessments and outcome analysis.

EMBEDDING ESG FOR RESPONSIBLE GROWTH

At Asirvad, we have integrated ESG across our financing, investing and trading activities to foster a holistic ecosystem that supports economic growth, environmental stewardship and social equity, ensuring a more sustainable and inclusive future.

Commitment to responsible financing is a key priority for Asirvad. The company, through its customer-centric business model and diverse products supporting entire life cycle needs of the customer, has been creating large scale positive social impact across the communities, including customers, employees and other stakeholders. Sustainability is integral to achieving our strategy and fulfilling vision of creating value for our stakeholders.

Asirvad actively encourages sustainable practices within the organisation which enables to improve business performance, brand success and overall reputation. The Company's business strategy and policies are pillared on customer and employee centricity allowing sustainable growth and empowering communities over long term.

Your Company has devised an ESG framework that is based on our Company's vision to build an enduring institution that serves the long-term needs of our customers with great sensitivity. Environmental factors refer to the impact of the company's operations on the environment, such as its carbon footprint and efforts to reduce it. Social factors refer to the company's impact on society, such as its labour practices, diversity, and community involvement. Governance factors refer to the company's corporate governance policies, such as executive compensation, shareholder rights, and board structure.

The framework act as a guidance to incorporate environmental, social and governance (ESG) considerations into operations and business, mitigate material risk impacts and serve as a guiding document for the ESG initiatives undertaken by your Company. We are proud of the progress made in integrating ESG principles into our business operations. Our achievements in environmental sustainability, employee empowerment, customer satisfaction and community development reflect our commitment to responsible business practices.

As we move forward, we remain dedicated to continuous improvement, setting higher targets, and further enhancing our positive impact on the environment, society, and governance aspects.

Environment

Asirvad understands the importance of environmental sustainability and compliance with regulations. We have implemented energy-efficient lighting and air-conditioning systems, raising awareness among employees about energy conservation. Embracing technology has helped us reduce paper usage and emissions from travel, while improving operational efficiency.

The framework is devised in a way that every loan request is reviewed and assessed for its associated Environment risks. The risk assessment aids the Company to ensure that the facility that is funded doesn't have any environmental, social or corporate governance liability that can affect both the borrower and the organisation. The Company will ensure that all the loans are properly evaluated against the Exclusion



List set out in the ESG framework. Periodic loan utilisation checks will be conducted to ensure adherence to the ESG policy. Any incidences of non-compliance will be discussed with customers, and they will be encouraged to comply with the required environmental laws, regulation, standards, and procedures.



The framework comprises a multi-stage process that oversees the entire risk assessment and management process. Each loan while processing shall be designated as high, medium and low risk representing different risk levels typically based on the impact of borrower's business activities on environment.

Human Rights

Your Company is committed to uphold employee rights and treat all employees with respect and dignity to promote a healthy and conducive work environment for the employees. The Company's human rights policy will ensure equity, diversity, and inclusion within the organisation, non-discrimination, prevention of human rights violations across entire value chain, and adequate training/awareness on human rights.

Asirvad recognises that a harassment-free workplace is integral to helping the workforce bring their whole selves to work. Asirvad is committed to respecting rights of all our employees and strive to provide them with a work environment that's free from any physical, verbal or psychological harm. Our policies and systems have been designed to prevent such instances and address them in case they do arise. The policies and systems ensure that employment decisions are based on merit and business needs and that equal opportunities to grow and benefits/compensations are provided to each resource.

Social

Your Company has been making consistent efforts over the years towards economic and social upliftment of the marginalised and vulnerable sections of society. It continually seeks ways to bring about an overall positive impact on the society and environment wherein it operates. Asirvad implements its CSR initiatives primarily through Manappuram Foundation.

Through our talent management strategy and the MADU online learning platform, we provide extensive learning and development opportunities, fostering continuous growth and professional development. We prioritise upskilling and reskilling our workforce by offering training and resources to enhance their skills and expertise.

Your company ensures that working conditions in the organisation meet (or exceed) the international labour standards. Asirvad also acknowledges that safety and health of workers has a positive impact on productivity and economic & social development. Asirvad aims to be one of the best workplaces for employees.

Governance

A Good Corporate Governance practice is a key factor of sustainable corporate growth and maintains a long-term relationship with the stakeholders of the Company. Your Company is committed to the highest level of Corporate Governance practices and emphasise the need for full transparency and accountability in all transactions, to protect the interests of its stakeholders. This enables the Company to attract high quality financial and human capital and ensures that all the stakeholders including the shareholders, customers, employees, creditors, and regulators are aligned with the organisation's objectives.

We, at Asirvad, believe that the cornerstone of best governance practices is the Board composition. We also believe that the synergy of versatile individuals with diversified skillsets at the Board-level has contributed a lot in bringing this Company into its present heights. The ethical practices, strict internal controls and well-organised management which is guided by a strong professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance; we have an appropriate mix of executive/non-executive and independent directors in our Board. The Board of Directors represent the shareholder's interest in perpetuating a successful business and optimising long-term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

Your Company prioritises integrity, accountability and oversight, fostering a culture of compliance. The strong internal control mechanisms, overseen by an experienced and diversified Board with a majority of independent directors, promotes transparency and accountability. Risk management is a key focus, and Asirvad proactively identify, assess and mitigate risks to safeguard our interests. Customer protection is integral to our practices, and your Company ensures fair and transparent dealings to enhance customer satisfaction and trust.

CORPORATE SOCIAL RESPONSIBILITY

The goal of our Corporate Social Responsibility is to enhance society by improving the well-being of individuals, their families and the broader community.

The Company through its CSR activities strive to make meaningful interventions in the society to bring about a positive change, by being instrumental in imparting quality education to its children, generate livelihoods for its people, providing medical help for the sick, empower women for their betterment and thus foster a harmonious community.

As part of the CSR, the Company is presently engaged in several projects which are socially relevant and demanding in the locality surrounding its corporate office area and other locations where the Company has branches or other place of business.

Sayujoyam Project

Sayujoyam Project is a rural development project in which houses are being constructed for the most deserving backward families.



Manappuram Civil Service Academy

Asirvad Micro Finance Limited contributes to the development of Manappuram Civil Service Academy.



Support to physically challenged people and socially-deprived women

Asirvad Micro Finance Limited contributed support to physically challenged people and socially-deprived women.



Promotion of quality education by providing school kit to underprivileged students

Asirvad Micro Finance Limited contributes in promoting of quality education by providing school kit to underprivileged students.



Promotion of healthcare by distributing wheelchair to physically challenged people

Asirvad Micro Finance Limited contributed to promote healthcare by distributing wheelchair to physically challenged people.



BOARD OF DIRECTORS



Mr. V. P. Nandakumar

Chairman

Vazhappully Padmanabhan Nandakumar is the Chairman and a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's and Master's degree in Science from the University of Calicut, India. He is currently the Managing Director and Chief Executive Officer of our Promoter, Manappuram Finance Limited. He is on the board of governors of IIM Kozhikode and has previously served on the boards of several companies including Lions Co-ordination Committee of India Association, Aptus Value Housing Finance India Limited, Equitas Holdings Limited, and Five Star Business Finance Limited.



Mr. B. N. Raveendra Babu

Managing Director

Blangat Narayanan Raveendra Babu is the Managing Director of our Company. He holds a Master's degree in Commerce from the University of Calicut, India. He has completed the Executive Development Programme on equity and commodity derivatives by Dun and Bradstreet and the ISMS lead auditor training course. He has previously worked with Blue Marine International, UAE and our Promoter, Manappuram Finance Limited. He has served on the board of directors of several companies including Manappuram Construction and Consultants Limited, Manappuram Jewellers Limited, Manappuram Chits (India) Limited and Manappuram Insurance Brokers Limited.



Mr. Abhijit Sen

Non-Executive,
Independent Director

Abhijit Sen is an Independent Director of our Company. He holds a Bachelor's degree in Technology with first class honours in Electronics and Electrical Communication Engineering from the Indian Institute of Technology, Kharagpur, India and a Post Graduate Diploma in Management from the Indian Institute of Management, Calcutta, India. He has previously worked with Citibank N.A., India as the Managing Director – Chief Financial Officer and has served on the board of directors of several companies including Citicorp Finance (India) Limited, Citicorp Services India Private Limited, IDFC First Bank Limited, IndiaFirst Life Insurance Company Limited, WIPRO Technology Services Limited.

**Ms. Anita Belani**Non-Executive,
Independent Director

Anita Belani is an Independent Director of our Company. She holds a Diploma (honours) in Personnel Management and Industrial Relations from Xavier Labour Relations Institute, Jamshedpur, India. She has previously served as the Chief People Officer at Gaja Advisors Private Limited. Additionally, she has served on the board of directors of several companies including Bandhan AMC Limited, SV Edusports Private Limited, BMR Business Solutions Private Limited, and Manpower Group Services India Private Limited.

**Mr. D R Dogra**Non-Executive,
Independent Director

Desh Raj Dogra is an Independent Director of our Company. He holds a Bachelor's degree in Science from Himachal Pradesh University, India, a Master's degree in Business Administration from the University of Delhi, India and a Post Graduate Diploma in Marketing and Sales Management from the Board of Technical Education, Delhi, India. He is a certified associate of the Indian Institute of Bankers. He has previously worked as the Managing Director and Chief Executive Officer of Credit Analysis and Research Limited and has served on the board of directors of several companies including Axiscades Aerospace & Technologies Private Limited, L&T Financial Consultants Limited, ITI Mutual Fund Trustee Private Limited, and Metropolitan Stock Exchange of India Limited.

**Mr. Gautam Saigal**Non-Executive,
Non-Independent Director

Gautam Rathindranath Saigal is a Non-Executive and Non-Independent Director of our Company. He is a qualified chartered accountant. He is the Managing Partner of Pachira Financial Services LLP. He has previously served as the Managing Director of AA Indian Development Capital Advisors Private Limited, Associate Director of India Liaison Office of American International Group, Inc and Vice President of 'Merchant Banking' division of S.S. Kantilal Ishwarlal Securities Private Limited. He was also worked with Stewart and Mackertich Investment and Financial Services Limited and Lovelock & Lewes. He is on the board of directors of several companies including Manappuram Home Finance Limited and ZIM Health Technologies Limited. Previously, he served on the board of directors of several companies including our Promoter, Manappuram Finance Limited, ZIM Laboratories Limited, Seed Infotech Limited, Barflex Polyfilms Private Limited and Numero Uno Clothing Limited.

**Mr. Harshan Kollara**

Non-Executive,
Independent Director

Harshan Kollara Sankarakutty is an Independent Director of our Company. He holds a Bachelor's degree in Arts from University of Calicut, India and a Master of Arts degree in economics from the University of Bombay, India. He has previously served on the board of directors of several companies including Federal Bank Limited, Fedbank Financial Services Limited, Experian Credit Information Company of India Private Limited and Avanti Home Solutions Private Limited.

**Ms. Pushya Sitaraman**

Non-Executive,
Independent Director

Pushya Sitaraman is an Independent Director of our Company. She holds a Bachelor's degree in Law from Madras Law College, India. She is a senior advocate at the Madras High Court. She is on the board of directors of several companies including Shiksha Financial Services India Private Limited, Southern Veneers and Woodworks Limited, Mayabandar Doors Limited and The Western India Plywoods Limited.

**Mr. S V Raja Vaidyanathan**

Non-Executive,
Non-Independent Director

Raja Vaidyanathan Venkataraman Sattanathapuram is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Technology from the Indian Institute of Technology, Madras, India and a Post Graduate Diploma in Management from the Indian Institute of Technology, Calcutta, India. He is an associate of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. He has previously served on the board of directors of several companies including Gradatim I.T. Ventures (India) Private Limited, Voicegear Network Technologies Private Limited, Pronto Franchising Private Limited, Growth Street Venture Partners LLP, and Microplex Private Limited.

**Mr. S. K. Mitra**

Non-Executive,
Independent Director

Subrata Kumar Atindra Mitra is an Independent Director of our Company. He holds a Master's degree in Science from the University of Calcutta, India and a Master's degree in Management Science from Texas Christian University, USA. He has previously worked with the 'Merchant Banking' division of Standard Chartered Bank, India and as a Non-Executive Member of the Credit Committee of the FirstRand Bank, India. He was previously associated with the Financial Services business at the Aditya Birla Group and Bank of India. He has served as the Director-in-Charge of the Vocational Service avenue of service of the Rotary Club of Bombay. He has also served on the board of directors of several companies including GIC Asset Management Company Limited, the Indo American Chamber of Commerce, Aditya Birla Nuvo Limited, Spykar Lifestyles Private Limited, Aditya Birla Sun Life AMC Limited, LIC Mutual Fund Asset Management Limited, QSK Advisory Private Limited.

**Mr. T Balakrishnan**

Non-Executive,
Independent Director

Thotanchath Balakrishnan is an Independent Director of our Company. He holds a Bachelor's degree in Arts from the University of Delhi, India. He is a former member of the Indian Administrative Service. He has also worked as the Managing Director of INKEL Limited and as the Chairman and Managing Director of Kerala High Speed Rail Corporation Limited. He has previously served on the board of directors of several companies including INKEL-EKK Roads Private Limited, Cheraman Infrastructure Private Limited, Kerala State Mineral Development Corporation Limited, and Travancore Titanium Products Ltd.

CORPORATE INFORMATION

Company

Asirvad Micro Finance Limited

Corporate Identification Number

U65923TN2007PLC064550

Registered Office

9th Floor, No. 9, Club House Road, Anna Salai, Chennai, 600002, Tamil Nadu

Managing Director

Mr. B N Raveendra Babu

Chief Financial Officer

Mr. Rajesh KRN Namboodiripad

Company Secretary & Compliance Officer

Ms. Aparna Menon

Email ID : sec@asirvad.in

Landline No: 0487 3050543

Statutory Auditors

M P Chitale & Co.,
Chartered Accountants
759/70, Vatsala Bhawan,
Prabhat Road, Lane No.1, Pune,
Maharashtra - 411004

Secretarial Auditors

KSR & Co., Company Secretaries LLP

#7C, Mayflower Signature,
Door No. 365/13, Avinashi Road,
Peelamedu, Coimbatore – 641 004

Registrars & Transfer Agents

Link Intime India Private Limited

"Surya" 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road, Coimbatore –
641028, Tamil Nadu, India
Tel: 0422 2539835 / 836, 4958995
E-mail: coimbatore@linkintime.co.in
Investor grievance e-mail: coimbatore@
linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Jayakumar K
SEBI registration no: INR000004058

Debenture Trustees

Catalyst Trusteeship Limited

(Erstwhile GDA Trusteeship Limited)
Unit No. 901, 9th Floor,
Tower-B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W),
Mumbai, Maharashtra - 400013
Phone: +91 22 4922 0555
Email: dt.mumbai@ctltrustee.com
Website: <https://catalysttrustee.com/>

IDBI Trusteeship Services Limited

Universal Insurance Building,
Ground Floor, Sir P.M. Road, Fort
Mumbai, Maharashtra – 400 001
Phone: 022 40807000,
+91 8097474599
Email: itsl@idbitrustee.com
Website: <https://idbitrustee.com>

Vardhman Trusteeship Private Limited

The Capital, A Wing, 412A,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Phone: +91 22 4264 8335,
+91 22 4014 0832
Email: corporate@
vardhmantrustee.com
Website: <https://vardhmantrustee.com/>

List of Lenders

Lender List

FII

Blue Orchard
CDC Group
World Business Capital

Foreign Banks

DBS Bank
HSBC Bank
SBM Bank
SMBC Bank
Standard Chartered Bank
WOORI BANK

NBFC

Aditya Birla Finance Ltd
Bajaj Finance Ltd
Equirus Securities Private Limited
Hinduja Leyland Finance

Manappuram Finance Limited
Mahindra & Mahindra
MAS Financials
Nabkisan Finance Ltd
Northern Arc Capital Limited
TATA Capital

Private Bank

Axis Bank
Bandhan Bank
Catholic Syrian Bank
Citi Bank
City Union Bank
DCB Bank
Equitas Small Finance Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
IDFC First Bank
Jana Small Finance Bank
Karnataka Bank
Kotak Mahindra Bank
RBL Bank Ltd
South Indian Bank
Suryoday Small Finance Bank
YES Bank Ltd.

PSU Bank

State Bank of India
Bank of Baroda
Bank of India
Bank of Maharashtra
Indian Bank
Indian Overseas Bank
Punjab & Sind Bank
Punjab National Bank
UCO Bank

Financial Institutions

Small Industries Development Bank
of India (SIDBI)
MUDRA (Micro Units Development &
Refinance Agency Ltd)
NABARD (National Bank for Agriculture
and Rural Development)

Board and its Committees**Board of Directors**

Mr. V P Nandakumar
Chairman

Mr. B N Raveendra Babu
Managing Director

Mr. Abhijit Sen
Non-Executive, Independent Director

Ms. Anita Belani
Non-Executive, Independent Director

Mr. D R Dogra
Non-Executive, Independent Director

Mr. Gautam Saigal
*Non-Executive,
Non-Independent Director*

Mr. Harshan Kollara
Non-Executive, Independent Director

Ms. Pushya Sitaraman
Non-Executive, Independent Director

Mr. S K Mitra
Non-Executive, Independent Director

Mr. S V Raja Vaidyanathan
*Non-Executive,
Non-Independent Director*

Mr. T Balakrishnan
Non-Executive, Independent Director

Audit Committee

Mr. D R Dogra
Chairman

Mr. Abhijit Sen
Member

Mr. Gautam Saigal
Member

Mr. Harshan Kollara
Member

Mr. S V Raja Vaidyanathan
Member

Mr. T Balakrishnan
Member

Nomination and Remuneration Committee

Mr. T Balakrishnan
Chairman

Ms. Anita Belani
Member

Mr. Gautam Saigal
Member

Mr. Harshan Kollara
Member

Ms. Pushya Sitaraman
Member

Risk Management Committee

Mr. Gautam Saigal
Chairman

Mr. Abhijit Sen
Member

Ms. Anita Belani
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. S V Raja Vaidyanathan
Member

Chief Risk Officer
Member

Corporate Social Responsibility Committee

Ms. Pushya Sitaraman
Chairperson

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. T Balakrishnan
Member

Stakeholders Relationship and Customer Service Committee

Mr. Harshan Kollara
Chairman

Mr. B N Raveendra Babu
Member

Ms. Pushya Sitaraman
Member

Mr. S K Mitra
Member

Management Committee

Mr. V P Nandakumar
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. Gautam Saigal
Member

Mr. Harshan Kollara
Member

Mr. S V Raja Vaidyanathan
Member

Borrowing and Securities Allotment Committee

Mr. B N Raveendra Babu
Chairman

Mr. S V Raja Vaidyanathan
Member

Mr. T Balakrishnan
Member

Mr. V P Nandakumar
Member

IT Strategy Committee

Mr. S K Mitra
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Chief Information Officer

Mr. S V Raja Vaidyanathan
Member

Chief Technology Officer
Member

IPO Committee

Mr. V P Nandakumar
Chairman

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. Gautam Saigal
Member

Management Discussion and Analysis

Highlights of Indian Economy

The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis, the country's economic indicators posted gradual improvements. The twin deficits, namely current account and fiscal deficits, narrowed, while the growth-inflation mix showed a positive and sustainable trend. Despite the ongoing Russia-Ukraine war, India continues to maintain its position as one of the fastest-growing economies globally. This can be attributed to various factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements and digital push.

In fact, the IMF, in its July 2023 economic outlook update, revised its India economic growth forecast in real terms for Fiscal 2024 to 6.1% from previous 5.9% estimate in April 2023, citing momentum from stronger-than-expected growth in the fourth quarter of Fiscal 2023 as a result of stronger domestic investment.

In contrast, global economic growth is projected to decelerate from an estimated 3.5% in 2022 to 3.0% in 2023, with the growth rate sustaining in 2024, according to the IMF. While the forecast for 2023 is slightly higher by 0.2% than the earlier estimate, it remains weaker than the historical average. In addition, world trade growth is expected to slow to 2.0% in 2023 from 5.2% in 2022, before rising to 3.7% in 2024, which is still well below the 2000 to 2019 average growth of 4.9%.

A large part of the lower growth stems from risk that the global economy could fragment into blocs amid the Russia-Ukraine war and other intensifying geopolitical issues, which could increase restrictions on trade, cross-border movement of capital, technology, workers and international payments. India's nominal GDP growth has exhibited a remarkable trend of consistently surpassing that of numerous other countries, highlighting its strong economic momentum.

India's per capita GDP recorded a 5.46% CAGR over Fiscal 2015 to Fiscal 2020 on real basis, rising from approximately ₹ 83,000 to approximately ₹ 1,08,000. A pandemic-induced nationwide lockdown in the early part of Fiscal 2021 led to a decline in income and widespread temporary loss of jobs, pushing per capita GDP lower by 6.8% year-on-year, to approximately ₹ 1,01,000 in Fiscal 2021, back to Fiscal 2018 levels.

On this low pandemic-impacted base, per capita GDP recorded an approximately 8% growth in Fiscal 2022, rising to ₹ 1,09,000, thus crossing the pre-Covid-19 level of Fiscal 2020. In Fiscal 2023, per capita GDP rose to an all-time high of ₹ 1,15,746 as the economy registered consecutive years of robust growth.

As per the report published (in July 2020) by the National Population Commission, Ministry of Health and Family Welfare, India's population in 2011 was 121 Crores, comprising approximately 246 million households. The decadal growth rate during 2001-2011 stood at 17%. This is estimated to have decreased to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with the country's population in 2030 estimated at 1,470 million, India will continue to be a major opportunity market from a demand perspective.

India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. It is estimated that 64% of this population is aged between 15 and 59 years. It is expected that the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth in the economy.

Urbanisation is a key growth driver for India, supporting faster infrastructure development, job creation, development of modern consumer services and the city's ability to mobilise savings. The share of urban population in total population has been rising consistently and is expected to reach 35% by 2023 from 31% in 2011, spurring demand. Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and help domestic economic growth.

According to the World Bank, the savings rate or the proportion of GDS in India's GDP has shown a downward trend in the past decade. India's GDS peaked at 34.4% of the GDP in Fiscal 2007 and dipped to 32.8% in Fiscal 2008. This was largely on account of a sharp slowdown in public savings, with the government resorting to fiscal stimulus to address the external shock from the global financial crisis. However, India's domestic savings is still higher at 28.96% at the end of 2022, compared with the world average of 28.2% at the end of 2021.

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

Between Fiscal 2016 and Fiscal 2018, NBFCs clocked 15% CAGR in credit, mainly due to the aggressive expansion of their footprint and the entry of numerous new players across India. However, non-banks faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures curbing growth. Banks benefited in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments. The pandemic brought about a sudden halt in economic activity and slowed down demand for credit in Fiscal 2021. In Fiscal 2022, the economy began to reopen and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities, which drove credit growth in most segments.

Following moderation in credit growth during pandemic, NBFCs were back on track with growth of 16.2% in Fiscal 2023. This took the credit outstanding of NBFCs (including HFCs, PFC and REC and excluding HDFC) to approximately ₹ 34.8 trillion. CRISIL MI&A Research expects credit growth of 14%-16% in the medium term. The primary growth drivers being retail housing loans, personal loans, auto loans and microfinance in the retail segment and micro, small and medium enterprise loans in the wholesale segment. With NBFCs outpacing banks in credit growth, the market share of NBFCs is expected to increase by approximately 200 bps to 25% till Fiscal 2026.

After the NBFC crisis in Fiscal 2018, the retail segment led growth in the NBFC sector, while the wholesale segment saw low single-digit growth from Fiscal 2020 to Fiscal 2022. In Fiscal 2023, the retail segment grew 21.1% and the wholesale segment by 12.3%. While credit growth was broad-based in the retail segment, MSME was the primary growth driver for the wholesale segment. With continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further and have an equal share by the end of Fiscal 2026. The growth rate for retail loans supported by housing, MFI and auto is expected to be in the range of 16% - 18% between Fiscal 2024 and Fiscal 2026.

Overall NBFCs are expected to continue outpacing banking credit growth with a focus on growing the retail portfolio. Key retail segments supporting in the overall NBFCs with double-digit credit growth between Fiscal 2024 to Fiscal 2026 includes microfinance, retail housing, auto and gold loans.

The industry's portfolio outstanding clocked 22% CAGR between March 2016 and March 2023 to reach ₹ 3,492 Billion. The microfinance industry's JLG portfolio has recorded a healthy growth in the past few years.

In Fiscal 2021, the industry was adversely impacted by the onset of the Covid-19 pandemic. While disbursements came to a standstill and the industry portfolio outstanding dropped in the first quarter of the year, they picked up subsequently and reached pre-Covid levels in the third and fourth quarters. In Fiscal 2022, the second wave led to another slowdown, although not as severe as in the previous fiscal.

The microfinance industry has been growing despite facing various headwinds in the past decade, such as the national farm loan waivers (2008), the Andhra Pradesh crisis (2010), Andhra Pradesh farm loan waiver (2014), demonetisation (2016), and more state-specific farm loan waivers (2017 and 2018). Of these events, the Andhra Pradesh crisis of 2010 had a lasting impact on the industry. Some players had to undertake corporate debt restructuring and found it difficult to sustain their business. While the demonetisation of ₹ 500 and ₹ 1,000 denomination banknotes in November 2016 hurt the industry, the impact was not as deep as the Andhra Pradesh crisis and was limited to certain districts. PAR data as of September 2018 indicates the industry recovered strongly from the aftermath of the demonetisation. Furthermore, collections since September 2017 remained healthy. The liquidity crisis

in 2018, however, had a ripple effect on microfinance lending as smaller NBFC-MFIs with capital constraints and lenders relying on NBFCs for funding slowed down disbursements.

NBFC-MFIs faced initial hiccups at the start of Fiscal 2021 due to the pandemic on account of uncertainty over collections and aversion by lenders to extend further funding to them. However, the situation improved gradually and most NBFC-MFIs, with the exception of a few, were able to improve the liquidity buffers during the course of the year by raising funds and after getting support from various government schemes. While the resurgence of Covid-19 led to a fresh bout of uncertainty with respect to collections in the first quarter of Fiscal 2022, the impact was not as pronounced as in the early part of the previous fiscal. The industry gradually rebounded in Fiscal 2022 on account of increased disbursements. Further, with revised MFI guidelines announced by the RBI in March 2022 that increased the total household income threshold for collateral-free loans coupled with higher consumption demand and lower slippages fuelled growth in Fiscal 2023. In February 2023, Telangana High Court ordered that RBI-regulated NBFCs operating as MFIs should not be governed by state laws, only the central bank has the power to regulate these entities. A similar Supreme Court ruling reaffirmed that state moneylending acts will not apply to NBFCs that are under the regulation of the RBI, addressing industry dual regulation issues.

Over the years, MFIs have proven their resilience to high-impact events. They have played an important role in promoting inclusive growth by providing credit to borrowers at the bottom of the economic pyramid. Despite catering to a vulnerable audience, the MFIs have historically proven their ability to recover effectively from crisis situations within a few months (for instance, demonetisation) and have been able to maintain profitability over a cycle. Amid the pandemic, the MFIs bolstered their capital position by raising fresh equity. Their ability to raise capital, even in such uncertain times, can be attributed to the latent growth potential of the sector, capability of the industry to wade through periods of crises by taking proactive steps, social impact of MFI lending and healthy profitability over business cycles. Furthermore, MFI lending is closely regulated by the RBI. Over the years, the central bank has come up with various regulations to enable long-term sustainable growth in the sector and reduce systemic risks.

The microfinance industry in India has witnessed a significant transformation with the advent of digital technology. Many players in the industry have adopted digital initiatives to enhance their operations and reach out to more customers. Some of the digital initiatives taken by players in the MFI industry include mobile-based applications, digitalisation of loan process, use of Aadhaar-based authentication, cashless transactions and digital financial education.

The MFIs have also partnered with fintech companies to enhance their digital capabilities and provide better services to customers. The fintech companies offer solutions such as digital payments, credit scoring and loan management

systems that the MFIs can leverage to improve their operational efficiency and expand their reach. Cashless disbursements and collections have become increasingly popular in the microfinance industry in India, as they promote transparency, reduce cash handling costs and improve customer experience.

In its Master Directions on microfinance loans released in March 2022, the RBI has done away with the interest rate cap applicable on loans given by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, the interest rate ceiling and all other charges on MFI loans. With microfinance loans provided by NBFC-MFIs and banks/SFBs now being subject to the same rules unlike the earlier regime, the RBI has ensured a level playing field for both NBFC-MFIs and banks/SFBs.

The increase in annual household income cap for microfinance borrowers (to ₹ 3,00,000 in both urban and rural areas), removal of the two-lender norm for lending by NBFC-MFIs and providing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans should account for 75% of total assets for NBFC-MFIs, as per the new regulations) will increase market opportunities and enable NBFC-MFIs to achieve a more balanced portfolio.

While limit of 50% of total household incomes on the loan repayment obligation will act as a safeguard against excessive leveraging, the increased permissible debt limit and possibility of divergences in household income assessment criteria across lenders still pose risks. Proper data infrastructure would be required to analyse and estimate household income, especially in rural areas.

The Assets Under Management (AUM) of NBFC-MFIs is ₹ 1,56,884 Crores as on March 31, 2024, including owned portfolio ₹ 1,26,243 Crores and managed portfolio (off BS) of ₹ 30,641 Crores. AUM has increased by 29.5% as compared to March 31, 2023. Average loan amount disbursed per account during FY 2023-24 was ₹ 45,024 which has increased by around 9.9% in comparison to last financial year. MFIs have presence in 27 states and 5 union territories.

OPERATIONS OF THE COMPANY

Micro Finance Loans

During FY 2023-24, Asirvad Micro Finance Limited had achieved multiple milestones of serving over 3.91 million clients, crossing ₹ 10,938.94 Crores AUM, standalone Micro Finance branches 1,206. Micro Finance business is also done through a few Gold Loan Branches.

As on March 31, 2024, the Company operated across 22 States and 3 Union Territories with a presence in 450 districts, with client base of 3.91 million spread across over 1,206 branches in the field.

Asirvad Micro Finance Limited continuously invests in upgradation of its technology to serve its clients faster

and has digitised its operations to reduce paperwork and TAT to customers.

Asirvad Micro Finance Limited continued to achieve business volumes through its multi-state operations. It has disbursed ₹ 9,322.13 Crores to 17,62,290 clients during the year. AUM stood at ₹ 10,938.94 Crores as on March 31, 2024.

MSME Loans

We offer loans to micro, small and medium enterprises in the manufacturing, service, trading and agri-allied activities to meet their working capital requirements and for addition or replacement of capital assets.

Our secured MSME Loans have ticket sizes of up to ₹ 1.50 Million. We also offer unsecured MSME Loans with ticket sizes up to ₹ 0.30 Million. Our MSME Loans have tenures between one year and seven years, payable in instalments. Our secured MSME Loans are backed by mortgage of immovable property.

As on March 31, 2024, total branches stood at 24 (including co-located branches), customer base at 2,425 and AUM at ₹ 51.92 Crores.

Loans against Gold

We commenced our Loan against Gold business in Fiscal 2021 in order to build our secured portfolio, to balance the unsecured nature of our microfinance loan portfolio. In our Loan against Gold portfolio, gold ornaments are pledged as collateral against the loan availed. In line with the RBI guidelines for MFIs issued on March 14, 2022, our growth plans were revised. Based on the revised RBI guidelines and the updated ceiling on the maximum amount of non-microfinance loan assets, we do not intend to grow our Loan against Gold portfolio to a significant proportion of our on-book assets.

As on March 31, 2024, total branches stood at 520, customer base at 1,31,642 and AUM at ₹ 889.68 Crores.

Resource Mobilisation & Treasury Operations

The funding for the business is from an optimum mix of equity and debt. The company continues to follow the policy of diversification of funding sources. The Company has existing relationship with more than 50 lenders across Banks, Financial Institutions, NBFCs and Overseas FII investors, who have sanctioned of ₹ 8,247.98 Crores during the year, and ₹ 8,878.41 Crores has been availed as on March 31, 2024.

The Funding mix of the company as on March 31, 2024 is given below:

Term Loan	74.61%
Non-convertible Debentures	10.80%
Securitisation	14.59%
Total	100%

Opportunities

Growing population an asset to the economy

India will continue to be a major opportunity market from a demand perspective.

Favourable demographics

India has one of the world’s largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. It is estimated that 64% of this population is aged between 15 and 59 years.

Urbanisation on the rise

Urbanisation is a key growth driver for India, supporting faster infrastructure development, job creation, development of modern consumer services and the city’s ability to mobilise savings.

Threats of working in the microfinance sector includes significant reliance on information technology systems, dependence on information provided by our borrowers, operational risks such as unauthorised transactions, fraud, misappropriation and embezzlement in course of collections.

RISK MANAGEMENT

Risk management is integral to our business and as a lending institution, we face financial and non-financial risks. We have

established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk-related matters, as part of our risk management process.

Our internal audit function uses data analytics and on-ground fact checking to create an extra level of oversight and control to the key risks of our business. For ease of administration and close scrutiny, we have also segregated our operations into eight zones based on factors such as borrower base, number of branches and AUM distribution. While these regions are managed by the regional heads in order to maintain close control over operations, our centralised independent risk, compliance, internal audit and secretarial functions work in tandem to meet control and corporate governance standards. Our risk management framework is primarily driven by our Board and its sub committees, the Risk Management Committee, the ALCO and is overseen by our fulltime Chief Risk Officer, who is responsible for establishing standards for risk assessment and testing, monitoring and performing testing of the risk controls, consolidating overall risk testing results and escalating any issues to senior management and/or the Risk Management Committee. Our risk management structure is set forth below:



The risk we face in our businesses are market risk, interest rate risk, credit risk, liquidity risk, operational risk, IT risk, reputation risk, cash management risk, collateral risk and legal risk, among others. We have policies in place to address these risks, which are reviewed annually by senior management and approved by the Board of Directors. We have identified the following as critical risk areas:

Credit Risk

Credit risk is the risk of financial loss to our Company if a borrower or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan receivables from borrowers. Our business of providing microfinance loans to women borrowers for income generating activities requires a high level of credit risk management. We seek to ensure efficient and uniform appraisal, disbursement, collection and delinquency management, by developing streamlined approval and administrative procedures. We have a clearly defined appraisal policy which ensures that borrowers are sanctioned loans only after evaluating household income, obligation, fixed obligations to income ratio and completing detailed cash flows analysis. We undertake pre-credit review through field checks, credit bureau check and use technology and automation to establish credit worthiness, repayment capacity assessment and cash flows analysis. In addition, we have enabled cashless disbursements to limit risk of fraud and ensure end user verification. Our collections process has been similarly digitised and we use mobile applications and payment services for online collections. We also have message confirmations of collections and real-time status updates for loan status. We have clear delegation of powers in place, with a clear risk rating framework for profiling borrowers.

Concentration Risk

Concentration risk is associated with adverse developments in localised regions, which adversely impacts lending operations in the region. To minimise concentration risks, we follow prudent self-imposed exposure norms in our operations, which aim to limit our AUM exposure in a state to 10% of our total AUM and in each district, to 1% of our total AUM. We also limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company, based on publicly available data if our total AUM is more than ₹ 100 Million in that state.

Operational Risk

Our Company identifies various operational risks inherent to its business model. These cover risks of a loss resulting from inadequate or failed internal process, people and systems or from external events. This can manifest in misappropriation, frauds, poor administrative discipline and dissatisfied clients. Key process risks include failure of internal controls inadequate reconciliation or accounting and inadequate recording of data. We have a dedicated operations function whose constant endeavour is to have thorough process guidelines, controlled through system platforms and monitored through dashboards. We have strict process checks, with weekly performance review meetings. Our compliance mechanism

is robust, with systems controls for fraud monitoring and reporting. We have a disaster recovery and business continuity management in place.

Asset Liability Management Risk

Asset liability management risk is the risk that our Company will encounter difficulty in meeting the obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. Our Company has an asset-liability management policy approved by the Board and has constituted an ALCO to oversee the liquidity risk management function. The ALCO meets on a monthly basis and submits its reports and minutes to the Risk Management Committee for review.

Reputation Risk

We recognise reputational risk as one of the major risks facing the industry and believe that it can be mitigated through responsible lending, maintaining discipline, client engagement and consistently following the fundamentals of microfinance. We have a robust grievance redressal mechanism. We have implemented customer service help lines for our borrowers as part of our comprehensive monitoring processes. Borrower complaints are reviewed, investigated and sought to be resolved within a prescribed time-frame depending on the nature of the complaint and are subsequently reported to the Board of our Company for review and any necessary guidance on our customer service quality. We also carefully calibrate our growth strategy to ensure we meet requirements of our members and also address concerns of various stakeholders. Further, we engage with our borrowers and the communities we serve through financial literacy and awareness programmes.

Legal Risk

Our Company has created a separate legal team to manage legal matters relating to our Company. Further, there is a dedicated unit to drive effective legal process for collections, while external counsel is sought for critical agreements, contracts, among others. We also seek to address regulatory risks, which stem from our requirement to comply with evolving laws and other compliance requirements to which we are subject. We monitor compliance with the requirements of regulatory authorities.

INTERNAL AUDIT & CONTROLS

Our audit process conducts an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal guidelines. We maintain an internal control framework which we view as an essential prerequisite for the growth of business. We have well-documented policies, procedures and authorisation guidelines that are commensurate with our size.

The scope of annual internal audit is finalised by the management and approved by our Audit Committee. While our internal audit is conducted based on our risk-based audit plan, we classify our branches based on risk profile. For other functions, based on the risk perception, the areas which need to be audited and which require more attention

are determined. We determine a risk matrix after assessing inherent business risk and control risk.

The reports generated by the internal audit team and any external audit firm appointed, are presented to our Audit Committee on a quarterly basis. The internal audit team is also responsible for ensuring timely closure of the observations noted in internal audit reports and brings open observations beyond due date to the attention of our senior management.

The Head of Internal Audit of our Company, reporting functionally to the Audit Committee and operationally to the Managing Director. Our internal audit function assists us in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our internal control, risk management and governance processes. In addition, our internal audit policies are in line with the risk-based internal audit framework set forth by the RBI.

The internal audit activity is conducted with systematic accountability for confidentiality and safeguarding records and information. The head of internal audit is responsible for managing IT audits, administrative functions and audits of our loans business. There are internal auditors who are engaged in the audit of our microfinance loan, Loan against Gold and MSME Loan portfolios.

Our audit process for microfinance loans includes centre and branch visits, in course of centre audits, disbursement audits, branch audits and delinquency verification. For Loans against Gold, we undertake gold inventory verification and tallying, checks of electronic and physical security devices and have set in place risk-based alerts based on specified criteria. We have clearly delineated internal checklists providing audit check points for each of these structures, to ensure thorough checks and balances. Recognising the higher risk inherent in our Loan against Gold operations based on physical handling of gold, our inspection audit and security audit take place every 45 days, document audit takes place every 90 days and packet verification takes place every 120 days. All microfinance loan branches are audited at least once every month and reports are sent to the respective branch heads for necessary action.

HUMAN RESOURCES

We believe dedicated employees are a key determinant of an organisation's success. To that end, we endeavour to motivate and retain our employees by focussing on their growth and career advancement. We have a rigorous selection process for all levels of employees and endeavour to verify the background of prospective employees. We then focus on the career progression of these employees within our organisation, and prioritise their elevation over bringing in employees from other organisations laterally. All field employees start from the basic level and progress within our Company through a defined promotion and appraisal programme. We believe this

enables us to motivate our employees towards productivity and longer associations with us, which benefits us since these employees also have a sound understanding of the ethos of our organisation. We believe that our compensation and benefit packages are competitive with other companies in the microfinance industry. The compensation of our personnel is linked to both qualitative and quantitative aspects of performance. Our goal-oriented culture and incentive programmes have contributed to developing a motivated workforce that is focussed on building relationships with our borrowers and partners by delivering personalised customer service, growing profitability and striving for operational efficiencies.

There is an employee review mechanism which helps to improve productivity and identify areas which need further support. There is a performance-oriented incentive structure based on employees' reviews and general market conditions. We believe that we have a good working relationship with our employees and we have not experienced any significant employee disputes.

Weightage is given to hire loan officers from local areas for recruitment at entry level positions. They are then trained in-house so that they have a comprehensive understanding of the local areas in which they are assigned. The rest of the field level positions are filled by job rotations, transfers and promotions. We believe this creates additional employment opportunities in the rural villages in which we operate in an impactful way. We provide comprehensive in-person and online training for new employees which covers various aspects of our business operations including, among others, our policies and processes, the overall microfinance sector and its regulatory framework, as well as soft skills such as borrower engagement and people management.

The total manpower strength stood at 19,068 pan India as on March 31, 2024.

TRAINING

We strive to provide e-learning content in an engaging manner to our employees. MADU is a platform run by Manappuram Finance Limited ("MAFIL") and provides e-learning interactive content. Our Company has entered into an agreement with MAFIL, pursuant to which MAFIL will provide consulting and training services, comprising content development e-learning, virtual classroom, content development products and products manual, leadership management development programme, higher education and utilisation of training infrastructure, to the employees of our Company. Our employees are able to access MADU resources, including the Digital Library integrated within MADU, comprising a wide collection of books and study materials, online video tutorials and interactive sessions. We provide these and other opportunities for higher education and advancement. This helps employees in upskilling and taking up higher roles and responsibilities in our Company.

Board's Report

Dear Members,

Your Board of Directors have immense pleasure in presenting the 17th Annual Report of Asirvad Micro Finance Limited ("Company"), together with the Audited Financial Statements for the year ended March 31, 2024.

FINANCIAL HIGHLIGHTS AND STATE OF AFFAIRS

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross Income	2,731.94	1,759.28
Total Expenditure	2,110.31	1,448.35
Profit before Tax	621.63	310.93
Tax Expenses net of Deferred tax	163.33	87.50
Profit after Tax	458.30	223.43
Appropriations		
Transfer to Statutory Reserve	91.66	44.69
Surplus in Profit & Loss	896.95	530.31

During the financial year ended March 31, 2024, your Company recorded a turnover of ₹ 2,681.31 Crores as compared to the turnover of ₹ 1,715.20 Crores recorded during the previous financial year ended March 31, 2023. Revenue from operations for the year ended March 31, 2024, has increased by 56.33 % as compared to the period ended March 31, 2023. The Net profit of your Company for the financial year ended March 31, 2024, stood at ₹ 458.30 Crores as against the Net Profit of ₹ 223.43 Crores for the financial year ended March 31, 2023. The Profit before tax for the financial year ended March 31, 2024, reflects a growth of 105% as compared to the Profit for the financial year ended March 31, 2023.

OPERATIONAL HIGHLIGHTS

MFI

Particulars	Financial Year 2024	Financial Year 2023	Change (%)
Number of Branches	1,206	1,206	-
Number of Active Members	3,911,494	3,245,218	20.53%
Gross Loan Portfolio (in Crore)	10,938.94	9,297.21	17.66%
Total Disbursement (in Crore)	9,322	8,397	11.01%
No. of States (in Operation including UTs)	25	25	4.00%

Gold Loan

Particulars	Financial Year 2024	Financial Year 2023	Change (%)
Number of Branches**	520	461	12.80%
Gross Loan Portfolio (in Crore)	889.68	705.32	26.14%
Total Disbursement (in Crore)***	15,300	10,847	41.06%
No. of States (In Operation including UTs)	15	14	7.14%

**Including Hybrid Branches

*** Including replodge

MSME

Particulars	Financial Year 2024	Financial Year 2023	Change (%)
Number of Branches**	24	22	9.09%
AUM (in Crores)	51.92***	38.37	35.33%
No. of States (in Operation)	10	4	150%

**Including Hybrid Branches

*** Including Ma- Product Loans

There was no change in nature of operations of the Company during the year under review.

TRANSFER TO RESERVE

As per the extant guidelines of Reserve Bank of India for NBFCs, the Company has transferred ₹ 91.66 Crores to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

DEBENTURE REDEMPTION RESERVE

Pursuant to notification issued by Ministry of Corporate Affairs on 16th August 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amended the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for the Company is not applicable, as Debenture Redemption Reserve is not required to be maintained in case of privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

DIVIDEND

In line with our dividend policy as in earlier years the entire profits have been ploughed back for business purposes, the Board of Directors has not recommended any dividend for the Financial Year 2023-24.

DEPOSITS

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and classified as NBFC-MFI, effective from October 04, 2013. The Board of Directors hereby confirm that the Company has not accepted any public deposit during the year under review and will not accept deposit in future without prior approval of Reserve Bank of India. Further, necessary documents have already been submitted before the Reserve Bank of India in this regard.

RESOURCES

The Company as an NBFC, mobilisation of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company.

Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge.

Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

TOTAL BORROWINGS

The Company's overall borrowing as on March 31, 2024 was ₹ 10,006.90 Crores.

i) Non-Convertible Debentures (Excluding subordinated debt)

During the year under review, your Company has raised funds of ₹ 25 Crores through issue of Non-Convertible Debentures (NCDs) on private placement basis and outstanding NCDs as on March 31, 2024 was ₹ 619.89 Crores.

ii) Subordinated Debt

During the year, your company raised funds of ₹ 250 Crores through issuance of Subordinated Debt on private placement basis and outstanding Subordinated Debt as on March 31, 2024 was ₹ 651.30 Crores.

iii) Commercial Paper

During the year, the Company raised ₹ 83.55 Crore through Commercial Paper and the same has been redeemed fully by March 31, 2024.

iv) External Commercial Borrowings

In the financial year ended March 31, 2024, the Company did not raise any funds through External Commercial Borrowing. The outstanding ECB as on March 31, 2024 was ₹ 98.29 Crores.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Venture and Associate Company during the Financial Year under review in terms of Companies Act, 2013 ("Act").

Further, the Company continues to remain the subsidiary of Manappuram Finance Limited, which holds 19,54,85,619 Equity Shares of ₹ 10/- each aggregating to ₹ 1,95,48,56,190/- constituting 97.60% of the Share Capital of the Company as on March 31, 2024.

CREDIT RATING

CARE has maintained the grading of your Company to "MFI 1", the highest in the industry.

The Company has debt credit ratings as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	Bank Loan	CRISIL AA-/Stable
CRISIL	Long term -NCD	CRISIL AA-/Stable
CRISIL	Long term subdebt	CRISIL AA-/Stable
CRISIL	Commercial Paper	CRISIL A1+
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- /Stable

CAPITAL ADEQUACY

Your Company being a Middle Layer NBFC as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended from time to time) based on total capital to risk weighted assets. As of March 31, 2024, the Company's total Capital Adequacy Ratio (CAR) stood at 22.79% which is above the regulatory minimum of 15%.

Out of the above, Tier I capital adequacy ratio stood at 18.40 % and Tier II capital adequacy ratio stood at 4.39 %.

SHARE CAPITAL

The Authorised Share Capital of the Company comprises of 3,00,00,00,000 equity shares of ₹ 10 each.

During the year ended March 31, 2024, the authorized preference share capital was sub-divided from 10,00,000 Preference Shares of ₹ 100 each to 1,00,00,000 Preference Shares of ₹ 10 each. Further the Company reclassified 1,00,00,000 Preference Shares of ₹ 10 each to 1,00,00,000 Equity Shares of ₹ 10 each and during the year ended March 31, 2024, the authorized equity share capital increased from 10,00,00,000 equity shares of ₹ 10 each amounting to ₹ 100,00,00,000 to 30,00,00,000 equity shares of ₹ 10 each

amounting to ₹ 3,00,00,00,000 which was duly approved by the board in meeting dated August 16, 2023, and by the shareholders of the Company by means of an ordinary resolution dated August 18, 2023.

Paid up Equity Share Capital of the Company has increased from ₹ 62.64 Crores to ₹ 200.28 Crores by way of Rights Issue and Bonus issue.

The Board approved the Right issue of 41,20,879 Equity Shares of ₹ 10 each fully paid up at ₹ 364 per share at the meeting held on June 30, 2023.

The Board of directors of the Company at its meeting held on August 16, 2023, considered and approved issue of 2 bonus equity shares of face value of ₹ 10/- each against 1 equity share of the face value of ₹ 10 each. The shareholders in their meeting held on August 18, 2023, have approved the issue of bonus shares and through a Board resolution dated August 26, 2023, the Company has allotted equity shares as bonus shares to the existing equity shareholders of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees/Investments are detailed in the Financial Statements. Kindly refer Note 8.

RELATED PARTY TRANSACTIONS

Contracts/ arrangements/ transactions entered by the Company during the FY 2023-24 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. During the year, the Company had entered into multiple transactions with the holding Company, Manappuram Finance Limited which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR and the Company's policy on related party transactions. Therefore, particulars of contracts/ arrangements with related parties under Section 188 in Form AOC-2 is annexed with this report as "Annexure-A". Necessary disclosures as required in compliance with accounting standards with related parties are disclosed in notes forming part of the financial statements in the annual report.

Board of Directors has formulated a Policy on Related Party Transaction, which is available on the website of the Company at <https://asirvadmicrofinance.co.in/wp-content/uploads/2023/12/Policy%20on%20Related%20Party%20Transactions%202011-11-2023.pdf> and the same is also annexed to this report as "Annexure-B".

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis report for the year under review is attached as a separate annexure forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

Annual return in Form-MGT-07 has been posted in the website. The link of the same is <https://asirvadmicrofinance.co.in/annual-return-as-provided-under-section-92-of-the-companies-act-2013-and-the-rules-made-thereunder/>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e March 31, 2024, and the date of the Director's Report.

RBI REGULATIONS

Your Company has generally complied with all the regulatory provisions of the Reserve Bank of India applicable to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Constitution of Statutory committees are in compliance with the corporate governance provisions as specified in the master direction issued by the Reserve Bank of India.

The Company is in compliance of the regulatory requirements of net owned funds ("NOF") as defined under Section 45-IA of the RBI Act, 1934 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, to carry on the business of an NBFC-MFI.

CORPORATE GOVERNANCE REPORT

Your Company has framed an Internal Guidelines on Corporate Governance, in compliance with the Directions issued by RBI for NBFCs. The Company has put in place various policies, systems and processes to achieve transparency, business ethics and compliance with applicable laws.

A Complete Report on Corporate Governance is attached as "Annexure-C" forming part of the Director's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in adherence to the applicable provisions.

As on March 31, 2024, the Board had Eleven Directors, which comprises of One Executive (Managing Director), and Ten Non-Executive Directors out of which Seven are Independent Directors. Your Company believes that a well-structured Board initiate better practices and governance based on the vast knowledge and experience of the Board Members.

In the Annual General Meeting dated August 16, 2023, members approved appointment of Mr. V.P Nandakumar (holding DIN: 00044512) who retires by rotation and being eligible, offered himself for re-appointment as Non-Executive Non- Independent Director of the Company.

- Mr. T M Manoharan (DIN: 00225640) resigned from office of director w.e.f. July 15, 2023 due to health issues.
- Dr. Sumitha Nandan (DIN: 03625120) was appointed as Additional Director at the Board Meeting held on September 22, 2023. In the Extra Ordinary General Meeting held on October 03, 2023, Members approved the appointment of Dr. Sumitha Nandan (DIN: 03625120) as a Non-Executive Non-Independent Director of the Company with effect from September 22, 2023.
- Mr. A Ramanathan (DIN: 02645247) retired as Independent Director as his tenure completed on November 30, 2023.
- Dr. Sumitha Nandan (DIN: 03625120) resigned from office of director w.e.f. February 13, 2024 due to personal and unavoidable circumstances.

In the opinion of the Board of Directors, the Independent Directors on the Board are persons of integrity and possess the relevant expertise & experience. Further, all the Independent Directors are registered in the Databank maintained by the institute in terms of Section 150 of the Companies Act, 2013 and have either qualified the online proficiency self-assessment test or are exempted.

The Board has recommended the reappointment of Mr. Abhijit Sen (DIN: 00002593), whose term will end on August 24, 2025, for a second term of five years.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are:

- Mr. B N Raveendra Babu, Managing Director; (DIN: 00043622)
- Mr. Rajesh KRN Namboodiripad, Chief Financial Officer; and
- Ms. Aparna Menon, Company Secretary

Director retiring by rotation

Mr. Gautam Saigal (DIN: 00640229), Director is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommended his reappointment in its meeting held on May 06, 2024.

DECLARATION FROM INDEPENDENT DIRECTOR

Your Company has received necessary declarations from all Independent Directors of the Company confirming that they meet criteria as mentioned in Section 149 of the Act and SEBI LODR.

Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

INDEPENDENT DIRECTOR'S MEETING

During the year, meeting of Independent Directors was held on March 29, 2024 as required under Companies Act, 2013 and in compliance with the requirement under Schedule IV of the Act to consider the matters specified therein.

RISK MANAGEMENT

The Company has a Board approved Risk management policy which caters to the overall risk framework and monitoring commensurate to the size and operations of the Company.

Risk management is integral to our business and as a lending institution, we face financial and non-financial risks. We have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk related matters, as part of our risk management process.

The risk we face in our businesses are market risk, interest rate risk, credit risk, liquidity risk, operational risk, IT risk, reputation risk, cash management risk, collateral risk and legal risk, among others.

We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our asset management policy, credit policy, whistle blower and vigilance mechanism, fair practices code, grievance redressal policy, internal guidelines on corporate governance, investment policy, risk management policy, IT policies and procedures, and KYC and anti-money laundering policy. Our Board of Directors and various Board Committees, including the Risk Management Committee, review our internal policies and procedures, including our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions, and carry out periodic IT audits to identify risk areas.

We continue to focus on risk management, on ground audit, vigilance checks and crisis-tested collection capabilities, leading to healthy asset quality.

Our credit quality is a product of our robust risk management policies and practices. As a middle layer NBFC under the RBI's scale-based regulations with an asset size of more than ₹ 10,000 million, we are governed by and closely follow RBI's risk management framework. Our risk management division is divided into separate teams that are dedicated to managing and mitigating credit risk, market risk and operational risk, and which are subject to oversight by our vigilance department and Audit Committee and our Board. Our Risk Committee periodically reviews current and emerging risks, including regulatory, information technology, liquidity and other risks as stipulated under our risk management framework and suggests requisite risk assessment procedures and measurement of systems, establishes policies, practices and other control mechanisms to manage risks and develop risk tolerance limits.

We assess risk at both macro and micro levels on a continuous basis. Our macro-level risk mitigation measures include detailed geographical exposure limits to limit regional asset concentration and local adversities.

At an operational level, our risk management approach starts with selection of lower risk business destinations and opening of branch offices based on industry and peer comparison data at an industry level. This requires the risk management team to filter out geographic areas with track record of high delinquencies on account of economic, political, social and environmental factors.

Thereafter, the operational team initiates branch set-up and commencement of business. We have adopted pre-defined policies and systems, which cover selection of borrowers, determination of group size, sanctioning ticket size based on borrower profile, selection of teams and adequate training to employees and borrowers, creating the next level of risk management and control.

Detailed monitoring of collections data forms the bedrock of our risk management at the borrower level. Online data support on real-time basis allows us to identify early delinquent risks within groups and borrowers. Specific identification and risk profiling of delinquent borrowers forms the next level of our risk management.

Based on the data collected, our branches are categorised into various categories of risk based on employee behaviour pattern, collections, delinquencies, among others, with higher risk branches being subject to greater supervision and monitoring.

From onboarding through disbursement and even thereafter, we have audit and diligence oversight across branches. All branches are audited on a monthly basis with higher risk branches being audited with higher frequency and for longer durations. Further, there is an independent vigilance team which oversees the function of the audit personnel and reports directly to our Managing Director.

For governance of our risk management functions, we have a Risk Management Committee, the majority of whose members are Independent Directors. The Chief Risk Officer reports operationally to the Chairman of the Risk Management Committee and administratively, to our Managing Director. The Risk Management Committee meets periodically for governance and monitoring of the overall risk of our Company. We have set out clear policies and guidelines to support our risk management at every stage, including our credit risk management policy, asset liability management policy, fair practice code, KYC/ AML guidelines, outsourcing policy and information security policy, as well as our policy on exposure limits.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors on the recommendation of the CSR Committee in pursuance to Section 135 of the Companies Act.

For detailed information regarding CSR Committee, refer the Corporate Governance Report. Further, CSR Annual Report is attached herewith as **"Annexure-D"**, which forms an integral part of this report. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013.

Salient Features of the CSR Policy is as below:

- Objective:** The objective of the Corporate Social Responsibility is to benefit the society by improving the quality of the individual, their families, local community at large. Serving the needy people is the top priority of Asirvad Micro Finance Limited ("AMFL/ The Company"). The Company already engages in improving the life of the poor or needy people by providing micro finance business. The Company's vision to benefit the under privileged does not end with that. The Company through CSR activities intends to participate in the overall development of the society.
- Ethics, Transparency & Accountability:** The Company is committed to maintain ethical value, transparency and accountability. Further, the Company will not engage in the business practices that are abusive, unfair and corrupt.
- CSR Activities:** As part of the CSR, the company is presently engaged in several projects which are socially relevant and demanding in the locality surrounding its corporate office area and other locations where the company has branches or other place of business. The company may continue to undertake / fund project, programs or activities of the following nature and also undertake such other activities as may be approved by the board as is falling under schedule VII of the Act 2013.

During the financial year 2023-24, the CSR Policy was amended to reflect the changes in statutory provisions and betterment of language.

The CSR policy is available on :

<https://asirvadmicrofinance.co.in/wp-content/uploads/2023/12/CSR%20Policy.pdf>

AUDITORS

Statutory Auditors & their Report

As per section 139 of the Act, read with the Companies (Audit and Auditors) Rule 2014, the members of the Company at the fourteenth Annual General Meeting appointed M. P. Chitale & Co, Chartered Accountants (Firm Registration

No. 101851W) for a period of 3 years commencing from the conclusion of 14th Annual General Meeting (AGM) till the conclusion of ensuing 17th AGM of the Company.

The Statutory Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

However, the report states that the audit trail feature is not enabled for direct changes to database in certain data tables at the database level. In respect of this the Company has provided the response in Note 67 of the Accounts.

Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on May 09, 2023 appointed KSR & CO Company Secretaries LLP as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2024.

The Secretarial Audit Report as received in the prescribed Form No.MR-3, do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2023-24 is appended as "Annexure- E" to this report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended March 31, 2024 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/ Guidelines issued by SEBI. The Annual Secretarial Compliance Report issued by KSR & Co, Company Secretaries LLP has been submitted to the stock exchanges.

NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder pertaining to maintenance of cost records as well as cost audit are not applicable to the Company.

FRAUDS REPORTED BY AUDITORS

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors and the Secretarial Auditors of the Company have not reported any instances of material frauds committed in the Company by its officers or employees, except a few instances which are duly identified by the Company as detailed in note number 47 to the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- i. In the preparation of the Annual Accounts for the year ended March 31, 2024, the applicable accounting standards as set out with the requirements under Schedule- III of the Act, had been followed with the proper explanation relating to material departures for the same.

- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and the profit and loss of the Company for the year ended on that date.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis and
- v. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of the Company has met 13 (thirteen) times during the year under review. For details regarding the said meetings of the Board, please refer the Corporate Governance Report, which is a part of this report.

ANNUAL PERFORMANCE EVALUATION

The Company has in place the Board Evaluation Policy which has been approved by the Board to evaluate the performance of the Board, its committees and individual directors. In accordance with the criteria specified by the Board, the process of annual evaluation has been designed.

The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole, was conducted based on the criteria and framework adopted by the Board.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, key managerial personnel and other employees including criteria for determining qualification, positive attributes, independence etc. as laid down by the Nomination Committee of the Board in compliance with the provisions of Section 178 of the Act. The policy can be viewed at <https://asirvadmicrofinance.co.in/wp-content/uploads/2024/04/Nomination%20%20Remuneration%20Policy%2016-03-24.pdf>

The policy of Nomination and Remuneration Policy is attached as "Annexure-F" forming part of the Director's Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with company's policies.

Additionally, our internal audit process conducts an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal guidelines. We maintain an internal control framework which we view as an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size.

The scope of annual internal audit is finalised by the management and approved by our Audit Committee. While our internal audit is conducted based on our risk-based audit plan, we classify our branches based on risk profile.

For other functions, based on the risk perception, the areas which need to be audited and which require more attention are determined. We determine a risk matrix after assessing inherent business risk and control risk.

The reports generated by the internal audit team and any external audit firm appointed, are presented to our Audit Committee on a quarterly basis. The internal audit team is also responsible for ensuring timely closure of the observations noted in internal audit reports, and brings open observations beyond due date to the attention of our senior management.

The internal audit activity is conducted with systematic accountability for confidentiality and safeguarding records and information. The head of internal audit is responsible for managing IT audits, administrative functions, and audits of our loans business. There are internal auditors who are engaged in the audit of our microfinance loan, Loan against Gold and MSME Loan portfolios.

Furthermore, during the Financial Year 2023-24, Deloitte Touche Tohmatsu India LLP was appointed as consultant supporting the Internal Audit function of the Company and the report of the said auditor along with the management responses were also placed before the Audit Committee periodically.

DETAILS OF AUCTIONS HELD DURING THE YEAR 2023-24

Additional disclosures as required by Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023:

Year	Number of Loan Accounts	Principal Amount O/S at the date of Auctions (A)	Interest Amount O/S at the date of Auctions (B)	Total (A+B)	Value Fetched
Financial Year 2023-2024	2661	16,32,02,147	5,73,08,689	22,05,10,836	16,09,92,424

Note: No sister concern participated in the auctions during the year ended on March 31, 2024.

DEMATERIALIZATION OF SHARES

As on March 31, 2024, all the shares held by the Shareholders are in Demat form.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company. This Policy inter-alia provides direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that Nil complaint was received during the year from a Director or an Employee.

FAIR PRACTICE CODE

The Company has in place a Fair Practices Code ("FPC") as approved by the Board, in compliance with the guidelines

issued by RBI, to ensure better service and provide necessary information to customers enabling them to take informed decisions. The FPC is available on the website of the Company at <https://asirvadmicrofinance.co.in/fair-practice-code-policy/>

DETAILS OF THE EMPLOYEES STOCK OPTION SCHEME IN TERMS OF RULE 12 (9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and the necessary disclosures are made in "Annexure-G" of this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (accounts) Rules, 2014, is disclosed in "Annexure-H" as attached with this report.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.

COMPOSITION OF COMMITTEES

The Composition of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, CSR Committee, IT Strategy Committee, Borrowing & Securities Allotment Committee, Management Committee, and IPO Committee are detailed in the Corporate Governance Report.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted Internal Complaint Committee (ICC) in line with requirement of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Your Company is also having in place a detailed Policy on Prevention of Sexual Harassment of Women at Workplace, which is formed in order to provide an environment where women can work or interact with dignity and expect protection against sexual harassment.

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

1. No. of complaints received during the year	2
2. No. of complaints disposed off	1
3. No. of Complaints pending at the year end	1

All Employees (Permanent, Contractual, Temporary, Trainees etc.) are covered under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

OTHER DISCLOSURES AND AFFIRMATIONS

The Company affirms that for the year ended on March 31, 2024:

- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued any Sweat Equity Shares
- The Company has not resorted to any buy back of its equity shares.
- Your Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any bank or financial institution.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate provided by KSR & Co. Company Secretaries LLP, towards compliance of the provisions of Corporate Governance, forms an integral part of this Report and is given as "Annexure-I".

PARTICULARS OF EMPLOYEES

The Company had 19,068 employees as on March 31, 2024. Details of remuneration as required to be provided pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as "Annexure-J".

DETAILS OF REMUNERATION/COMMISSION RECEIVED BY MANAGING DIRECTOR FROM SUBSIDIARIES

Asirvad has no subsidiary during financial year 2023-24. Further, Mr. B. N. Raveendra Babu (DIN- 00043622), Managing Director of the Company has not received any remuneration/ commission from the Parent Company- Manappuram Finance Limited.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

No company became or ceased to be subsidiary or joint venture or associate company of Asirvad Micro Finance Limited during the Financial Year 2023-24.

IDENTIFICATION OF PROMOTER

The Board of Directors of the Company have approved reclassification of Mr. Raja Vaidyanathan from 'promoter' to 'public' category by way of resolution dated September 22, 2023. Additionally, pursuant to Board Resolution dated February 13, 2024, Mr. V.P Nandakumar has been identified as the individual promoter of the Company.

As on March 31, 2024, Manappuram Finance Limited and Mr. V.P Nandakumar are categorised as the promoters of the Company.

FILING OF DRAFT RED HERRING PROSPECTUS

Your Company has filed a draft red herring prospectus with SEBI on October 05, 2023 for raising equity capital.

CHANGE IN NATURE OF BUSINESS IF ANY

There has been no change in the nature of business during the financial year 2023-24.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the assistance and co-operation extended by the shareholders, debenture holders, debenture trustees, Reserve Bank of India, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, Bankers, Financial Institutions, Business Associates, Government Authorities, Sa-Dhan, MFIN, Customers, Vendors and other stakeholders during the year under review.

We are grateful for the continuous confidence and faith shown by the promoters of the Company.

The Directors also extend their appreciation to all the employees for their continued support and unstinting efforts

in ensuring an outstanding operational performance and for their commitment, dedication and cooperation.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar

Chairman
DIN: 00044512

B N Raveendra Babu

Managing Director
DIN: 00043622

Date: May 24, 2024

Place: Valapad

Annexure-A

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into by the Company during the financial year 2023-24 which were not at arm's length basis.

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

(a) Name(s) of the related party and nature of relationship: Manappuram Finance Limited ("MAFIL") – Holding Company

- (b) Nature of contracts/arrangements/transactions

(All amounts in ₹ lakhs)

Nature	Year Ended March 31, 2024
Rent & other amenities	39.61
Reimbursement of Expenses	71.66
Rent receivable (Including Reimbursement)	13.86
Training expenses	66.23
Interest expense	1961.94
Term loan	12,000
Subordinated debt	15,000
Total	29,153.30

Note:- For more details, please refer note no. 36 of the Financial Statements

- (c) Duration of the contracts / arrangements/transactions

- Loan availed from MAFIL for ₹ 12,000 Lakhs and interest on Loan is for a tenure of 12 months. The loan was pre-closed and as on March 31, 2024 there is no amount outstanding.
- Subordinated Debt ("NCD") issued with MAFIL for ₹ 15,000 Lakhs and interest on NCD is for a tenure of 72 months.
- Training expenses are approved on a yearly basis by Audit Committee.
- Rent is being paid on a recurring basis under omnibus limits approved on an annual basis by Audit Committee.

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

1. Loan of ₹ 12,000 Lakhs

Limit and Tenure Loan availed from MAFIL for ₹ 12,000 Lakhs and interest on Loan is for a tenure of 12 months. The loan was pre-closed and as on March 31, 2024, there is no amount outstanding.

Tranches Revolving Credit facility- Multiple tranches based on requirement

Interest Rate 9.70% per annum payable monthly.

Security Unsecured. However, Asirvad shall maintain unencumbered collateral to cover MAFIL's exposure at any point of time.

2. Subordinated Debt of ₹ 15,000 Lakhs ("NCD")

Limit and Tenure ₹ 15,000 Lakhs for 72 months from the date of disbursement

Tranches Single tranche

Interest Rate 11.25% per annum payable yearly.

Security Unsecured

Training expenses are approved on a yearly basis by Audit Committee based on actual transactions.

Rent is being paid on a recurring basis under omnibus limits approved by Audit Committee.

- (e) Date(s) of approval by the Board, if any:

1. Loan of ₹ 12,000 Lakhs - Board approved on August 01, 2022
2. Subordinated Debt of ₹ 15,000 Lakhs - Board approved on March 23, 2023

- (f) Amount paid as advances, if any: NA

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: May 24, 2024

Place: Valapad

Annexure-B
**ASIRVAD MICRO FINANCE LIMITED
 RELATED PARTY TRANSACTIONS (RPTs) POLICY**
1. Preamble

The Related Party Transactions Policy provides a framework to regulate transactions between Asirvad Micro Finance Limited ("Company/AMFL") and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Definitions

"Audit Committee" or **"the Committee"** means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("SEBI Listing Regulations") read with Section 177 of the Companies Act, 2013;

"MAFIL" means Manappuram Finance Limited, which is the Holding Company of AMFL

"Material Related Party Transactions" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company or ₹1,000 Crores, whichever is less;

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

"Related Party" means related party as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, which inter alia provides that a "related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards¹.

Further,

- i. any person or entity forming part of the promoter or promoter group of the Company;
- ii. Any person or entity holding equity shares of 20% or more, (10% or more with effect from 01st April, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Act) at any time during the immediate preceding financial year.

shall be deemed to be a related party.

"Related Party Transaction" a means related party transaction as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations;

"Relative" means relative means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

"Senior Officers" means shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the managing director including the company secretary and chief financial officer.

All other words and expressions used but not defined in this policy, defined in Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI Listing Regulations and IndAS 24 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

3. Policy

All Related Party Transactions shall require prior approval of the Audit Committee comprising of a quorum of only Independent Directors being members of the said Committee approving the same. Such approval shall be only at a meeting of the Audit Committee and not by circulation.

¹A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity'). (a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

All proposed Related Party Transactions and subsequent material modification of such Related Party Transaction must be presented before the Audit Committee for prior approval by the Independent Directors of the Committee.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant omnibus approval.

The Company Secretary shall be responsible for implementation of the Policy.

4. Transactions that are considered as Related Party Transactions:

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

- (a) Sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

Types of the transactions considered as related party transaction as per Reg.2(1)(zc) of SEBI Listing Regulations.

- a) A transaction involving a transfer of resources, services or obligations between
 - (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand
 - (ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01 2023

Regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract.

As per and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015 following are examples of transactions that are disclosed if they are with a related party:

- (a) Purchases or sales of goods (finished or unfinished);
- (b) Purchases or sales of property and other assets;
- (c) Rendering or receiving of services;
- (d) leases;
- (e) Transfer of research and development;
- (f) Transfer under license agreements;
- (g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);
- (h) Provision of Guarantees and Collaterals;
- (i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognized and unrecognized)
- (j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;
- (k) Management contracts including for deputation of employees.

Parties are considered to be related under IND AS 24, if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a company if that person:
 - a. has control or joint control or significant influence over the Company; or
 - b. is a key management personnel of the Company or of a parent of the Company; or
2. An entity is related to a company if any of the following conditions applies:
 - a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - c. Both entities are joint ventures of the same third party; or
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - e. The entity is controlled or jointly controlled by a person identified in (1); or

- f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity)

5. Transactions that are not considered as Related Party Transactions:

The following transactions are not considered as Related Party Transactions

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018
- b) The Corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding
 - (i) Payment of dividend;
 - (ii) Subdivision or consolidation of securities;
 - (iii) Issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) Buy-back of securities

6. Identification of Related Parties and Interested Director with respect to transactions:

Every Director will be responsible for providing a declaration in the format as per **Form RPT** (Annexure-1 to this Policy) containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and

7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief Executive Officer of Body Corporate or Member of the Association of Individuals.

Every Key Managerial Personnel other than a director will also be required to provide the Names of his / her Relatives in the format as per **Form RPT** on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately upon him / her becoming aware of such changes.

7. Transactions and factors for consideration by the Committee in approving and recommending the proposed Related Party Transactions for approval by the Board:

Transactions that require prior approval of Audit Committee

- a) All Related Party Transactions and subsequent material modifications to such Related Party Transactions;

Transactions that require prior approval of Audit Committee of MAFIL:

- a) Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MAFIL;
- b) With effect from April 1, 2023 Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of AMFL;

Material Modification

Any material modification to the terms approved by the Audit Committee for the Related Party Transactions will require its prior approval. The following terms shall be considered as material terms in respect of every Related Party Transaction, except in case of financial transactions:

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.

- b. Nature of goods or services
- c. Total value of the Related Party Transaction
- d. Period approved for Related Party Transaction

In respect of financial transactions like providing of loan, inter-corporate deposit:

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Quantum of loan or inter-corporate deposit.
- c. Interest related terms including interest holiday, if any, security terms, if any
- d. Period
- e. Repayment terms

Information to be placed before Audit Committee:

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;

- iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

- iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions.

- g. Justification as to why the Related Party Transaction is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;
- j. Any other information that may be relevant

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

Factors to be considered by the Audit Committee

While considering any related party transaction, the Committee shall also take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. Whether the transaction could be material or significant by value;
- c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;
- d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and
- e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit

to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

- f. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

A standard template w.r.t information to be placed before the Committee is part of this policy as Annexure-2.

Omnibus Approval

For granting omnibus approval, the committee shall specify the following details:

- a. Name of the related party;
- b. Nature of the transaction;
- c. Period of the transaction;
- d. Maximum amount of the transactions that can be entered into;
- e. Indicative base price / current contracted price and formula for variation in price, if any;
- f. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee.

The omnibus approval shall be valid for a period of one financial year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

8. Approval by the Board:

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or is a material related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting.

The Board shall take note of all transactions approved by the Audit committee.

9. Approval by Shareholders

The Board of Directors of the Company shall mandatorily place before the members of the Company, all Material RPTs and obtain their approval prior to undertaking such transactions.

Except with the prior approval of the Shareholders by a resolution, a company shall not enter into any RPTs as mandated under Section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and/or material related party transactions as stipulated in Regulation 23 of SEBI Listing Regulations.

In all cases, where shareholders' approval is necessary for any RPT, the Company Secretary shall ensure that the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a. All the information provided by the management of the Company to the Audit Committee;
- b. Any other information that may be relevant.

The Company Secretary shall ensure that the explanatory statement to be annexed to the notice of a general meeting convened for obtaining approval of members in relation to the proposed RPTs shall contain the following particulars:

- a. Summary of the information provided by the management of the Company to the Audit Committee;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.

- d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

The Board shall be ultimately responsible for seeking approvals from shareholders as per the requirements of Applicable Laws which may vary from time to time.

Transactions that require prior approval of Shareholders of MAFIL:

Related Party Transactions to which AMFL is a party but MAFIL is not a party, shall require prior approval of shareholders of MAFIL, if transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of MAFIL as per the last audited financial statements of the company or ₹1,000 Crores, whichever is less.

10. Disclosure, recording and reporting of Related Party Transactions:

- a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.
- b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013/ SEBI Listing Regulations.
- c. Company shall submit along with publication of half yearly financial results, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.
- d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

11. Policy on Loan to Directors as per RBI directives

In addition to the provisions of Companies Act, 2013 and SEBI Listing Regulations, as per provisions of RBI's DOR. CRE.REC.No.25/03.10.001/2022-23, dated April 19, 2022,

11.1 Loans and advances to Directors - Company shall not grant ₹ 5 Cr & above loans and advances unless sanctioned by the Board of Directors / Committee of Directors, to -

- i) its directors (including the Chairman/ Managing Director) or relatives of directors.
- ii) any firm in which any of its directors or their relatives is interested as a partner, manager, employee or guarantor.
- iii) any company in which any of its directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

A director or his relatives shall be deemed to be interested in the company, being the subsidiary or holding company, if he is a major shareholder or is in control of the respective holding or subsidiary company.

The director who is directly or indirectly concerned or interested in any proposal should disclose the nature of his interest to the Board when any such proposal is discussed. He should recuse himself from the meeting unless his presence is required by the other directors for the purpose of eliciting information and the director so required to be present shall not vote on any such proposal.

The proposals for credit facilities of an amount less than ₹ 5 Cr may be sanctioned by the appropriate authority in the NBFC under powers vested in such authority but should be reported to the Board.

11.2 Loans and advances to Senior Officers – Company shall abide by the following when granting loans and advances to its senior officers:

- i) Loans and advances sanctioned to senior officers shall be reported to the Board.
- ii) No senior officer or any Committee comprising, *inter alia*, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

In respect of grant of loans and advances to directors / senior officers and their relatives:-

- i) Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to their directors/ senior officers for loans and advances aggregating ₹ 5 Cr & above. NBFCs shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.

The above norms relating to grant of loans and advances will equally apply to awarding of contracts.

The term 'loans and advances' will not include loans or advances against :-

- a) Government securities
- b) Life insurance policies
- c) Fixed deposits
- d) Stocks and shares
- e) Housing loans, car advances, etc. granted to an employee of the NBFC under any scheme applicable generally to employees.

Provided that NBFC's interest/lien is appropriately marked with legal enforceability.

12. Dissemination of Policy:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and website of the Company and web link thereto shall be provided in the annual report of the Company.

13. Policy Review:

Board shall review the overall policy once in three years and modify or update the same in accordance with the changes to the threshold limits or as may be required by the amendments to Applicable Laws.

Annexure-1

Form RPT

To,
The Company Secretary & Compliance Officer
Asirvad Micro Finance Limited
9th Floor, No.9, Club House Road
Anna Salai, Chennai,
Tamil Nadu, PIN - 600002

Dear Sir,

- A. I, _____, S/o/W/o/D/o of _____, resident of _____, holding __ Shares (equity) of ₹10/- each as on 31/03/____ in the Company in my name, being a Director in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following private company or companies or firms:

Sr. No.	Name of the Private Companies / Partnership Firms	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/changed
---------	---	---	--------------	---

- B. The following Public Companies in which I am a Director and holds along with my Relatives (Schedule) more than 2% of paid up share capital as on the end of this financial year:

Sr. No.	Name of the Public Companies holding more than 2% of paid up share capital	Shareholding	Date on which Interest or Concern arose/changed
---------	--	--------------	---

- C. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions of mine:

Sr. No.	Name of the Body Corporate
---------	----------------------------

- D. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation
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- E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

Sr. No.	Name of the Bodies Corporate / Association of Individuals	Nature of Interest or concern / Change in Interest	Date on which Interest or Concern arose / changed
---------	---	--	---

Signature: _____

Name: _____

Designation: Director

DIN No: ____

Place: ____

Date: ____

Schedule to Form RPT
LIST OF RELATIVES

Sr. No.	Relationship	Full Name	Address	Shareholding in the Company
1	Spouse			
2	Father (including Step-Father)			
3	Mother (including Step-Mother)			
4	Son (including Step-son)			
5	Son's Wife			
6	Daughter			
7	Daughter's Husband			
8	Brother (Including Step-Brother)			
9	Sister (Including Step-Sister)			
10	Members of HUF			

Signature: _____

Name: _____

Designation: Director

DIN No: ____

Place: ____

Date: ____

Annexure-2

Disclosure to be placed before Audit Committee:

Sr. No.	Particulars	Information
1.	Name of the Product/Service	
2.	Name of the Related Party	
3.	Relationship of Related Party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	
4.	Type/ Nature of the proposed transaction	
5.	Material terms and particulars of the proposed transaction	
6.	Tenure/ Term of the proposed transaction (particular tenure shall be specified)	
7.	Value of the proposed transaction	
8.	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	
9A.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	
9B.	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments:	
	◆ Nature of indebtedness	
	◆ Cost of funds	
	◆ tenure	
9C.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
9D.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
10.	Justification as to why the RPT is in the interest of the Company	
11.	A copy of the valuation or other external party report, if any such report has been relied upon	
12.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	
13.	Brief details of the Arm's length test conducted	
14.	Ordinary Course or not	
15.	Necessity of entering into the transaction	
16.	Does the transaction require prior approval of MAFIL Audit Committee	
	a) Does it exceed 10% of consolidated turnover of MAFIL	
	b) Does it exceed 10% of standalone turnover of AMFL	
17.	Does the transaction require prior approval of MAFIL Shareholders	
18.	Any other information that may be relevant	
19.	Test for subsequent materiality of the transaction taken together with other transactions carried out in the Financial Year with the subject related party	
	Value of all transactions entered in the current financial year	
	Versus 10% of annual consolidated turnover	

Annexure-C

Corporate Governance Report

Company's Philosophy on Code of Governance

A good Corporate Governance practice is a key factor of sustainable corporate growth and maintains a long term relationship with the stakeholders of the Company. Asirvad Micro Finance limited ("Asirvad" or "Company") is committed to the highest level of Corporate Governance practices and emphasizes the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders.

Asirvad believes that a strong, professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance. We have an appropriate mix of Executive/ Non-Executive and Independent Directors in our Board. The Board of Directors represents the shareholder's interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

Applicability of SEBI (Listing Regulations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR")

The requirements of Regulations 17 to 27 of SEBI LODR are applicable to Asirvad Micro Finance.

Even though the requirement is on a comply or explain basis, your Company has adhered to the requirements.

Additionally, the extant regulations and circulars of SEBI LODR pertaining to listed Non-Convertible Securities are applicable to the Company.

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed the Policy of Internal guidelines on Corporate Governance and reviews and updates the same periodically.

Company's Philosophy on Corporate Governance

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company.

Asirvad 's Corporate Governance philosophy is based on the following principles:

- Compliance to law in both letter and spirit
- Utmost transparency in dealings with all the stakeholders
- Clear communication of relevant information and high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is running internally
- Have a simple, transparent and efficient corporate structure driven solely by business needs
- Create value for all stakeholders without compromising on ethical principles.

Board of Directors

As on March 31, 2024, your Company's Board consists of 11 (Eleven) members. The composition of the Board is in conformity with the provisions of Companies Act, 2013 ("Act"), SEBI LODR and Reserve Bank of India.

The Board of Directors met thirteen times in the financial year 2023-24 on the following dates: May 09, 2023, June 14, 2023, June 30, 2023, August 07, 2023, August 16, 2023, August 26, 2023, September 22, 2023, October 03, 2023, November 11, 2023, January 15, 2024, February 05, 2024, February 13, 2024 and March 16, 2024

Composition and Category of Directors as on March 31, 2024:

Name of Director	Director Since	DIN	Category and Designation
Mr. V P Nandakumar	12/02/2015	00044512	Promoter, Non- Executive, Non-Independent Director (Chairman)
Mr. Abhijit Sen	17/03/2020	00002593	Non- Executive, Independent Director
Ms. Anita Belani	13/01/2023	01532511	Non- Executive, Independent Director
Mr. B N Raveendra Babu	12/02/2015	00043622	Executive, Non-Independent, Managing Director
Mr. D R Dogra	09/09/2016	00226775	Non- Executive, Independent Director
Mr. Gautam Saigal	18/03/2015	00640229	Non- Executive, Non-Independent Director
Mr. Harshan Kollara	07/08/2021	01519810	Non- Executive, Independent Director
Ms. Pushya Sitaraman	02/02/2019	06537196	Non- Executive, Independent Director
Mr. S K Mitra	17/03/2020	00029961	Non- Executive, Independent Director
Mr. S V Raja Vaidyanathan	29/08/2007	01467098	Non- Executive, Non-Independent Director
Mr. T Balakrishnan	15/05/2018	00052922	Non- Executive, Independent Director

Attendance during the financial year 2023-24 of each Director at the Board Meetings as well as previous Annual General Meeting are as follows:

Sl. No.	Name of the Director	Category and Designation	Attended (Board meeting)	Attended last AGM held on August 16, 2023
1.	Mr. V P Nandakumar	Promoter, Non- Executive, Non-Independent Director (Chairman)	13	YES
2.	Mr. Abhijit Sen	Non- Executive, Independent Director	13	YES
3.	Ms. Anita Belani	Non- Executive, Independent Director	10	YES
4.	Mr. A Ramanathan*	Non- Executive, Independent Director	9	YES
5.	Mr. B N Raveendra Babu	Executive, Non-Independent, Managing Director	13	YES
6.	Mr. D R Dogra	Non- Executive, Independent Director	12	YES
7.	Mr. Gautam Saigal	Non- Executive, Non-Independent Director	13	YES
8.	Mr. Harshan Kollara	Non- Executive, Independent Director	12	YES
9.	Ms. Pushya Sitaraman	Non- Executive, Independent Director	12	YES
10.	Mr. S K Mitra	Non- Executive, Independent Director	12	YES
11.	Dr. Sumitha Nandan**	Non-Executive, Non-Independent Director	5	NO
12.	Mr. S V Raja Vaidyanathan	Non- Executive, Non-Independent Director	13	YES
13.	Mr. T Balakrishnan	Non- Executive, Independent Director	13	YES
14.	Mr. T M Manoharan***	Non- Executive, Independent Director	0	NO

*Retired from the position of the Independent Director on completion of his second term of Office as an Independent Director of the Company with effect from the closing of business hours on November 30, 2023.

**Appointed as Additional Director in the category of Non-Executive, Non-Independent Director of the Company at board meeting held on September 22, 2023 and subsequently, the shareholders at their extra ordinary general meeting held on October 03, 2023 has approved her appointment as Non-Executive, Non-Independent Director. She has resigned from the Board with effect from February 13, 2024.

***Resigned from the Board due to health issues with effect from July 15, 2023.

Details of change in composition of the Board during the current (FY 2024) and previous financial year (FY 2023)

Sl. No.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter Nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective Date
1	Mr. Subrata Kumar Atindra Mitra (DIN: 00029961)	Independent & Non-Executive Director	Re-appointment	January 01, 2023
2	Ms. Anita Belani (DIN: 01532511)	Independent & Non-Executive Director	Appointment as Independent & Non-Executive Director	January 13, 2023
3	Mr. Thotanchath Balakrishnan (DIN: 00052922)	Independent & Non-Executive Director	Re-appointment	May 15, 2023
4	Mr. Manoharan Makkunni Thanniyath (DIN: 00225640)	Independent & Non-Executive Director	Re-appointment	May 15, 2023
5	Mr. Manoharan Makkunni Thanniyath (DIN: 00225640)	Independent & Non-Executive Director	Resignation	July 15, 2023
6	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Appointment as Additional Director	September 22, 2023
7	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Appointment as Non-Executive and Non-Independent Director	October 03, 2023
8	Mr. Ramanathan Annamalai (DIN: 02645247)	Independent & Non-Executive Director	Retired from the position of the Independent Director on completion of his second term	November 30, 2023
9	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Resignation	February 13, 2024

The details of Shareholding, Directorship and Chairmanship/Membership of Committees as on March 31, 2024

Sl. No.	Name of the Director	Number of Directorships	Member-ships in Audit / Stakeholders Relationship Committee**	Chairmanships in Audit / Stakeholders Relationship Committee**	Shareholding of Directors	Category of directorship and Names of listed entities where person is a director*
1.	Mr. V P Nandakumar Chairman	18	3	0	7,78,209	1. Manappuram Finance Limited - Managing Director
2.	Mr. B N Raveendra Babu Managing Director	1	1	0	1,88,466	-
3.	Mr. Abhijit Sen Independent Director	7	5	3	-	1. Kalyani Forge Limited - Independent Director 2. Manappuram Finance Limited-Independent Director 3. Tata Investment Corporation Limited -Independent Director
4.	Ms. Anita Belani Independent Director	8	6	0	-	1. Foseco India Limited – Independent Director 2. Redington Limited - Independent Director 3. IDFC Limited - Independent Director
5.	Mr. D R Dogra Independent Director	10	4	3	89,472	1. S Chand and Company Limited - Independent Director 2. IFB Industries Ltd - Independent Director 3. Capri Global Capital Limited - Independent Director 4. Axiscades Technologies Limited - Independent Director 5. G R Infraprojects Limited - Independent Director
6.	Mr. Gautam Saigal Non-Executive, Non-Independent Director	4	2	1	1,54,005	-
7.	Mr. Harshan Kollara Independent Director	2	3	1	-	1. Manappuram Finance Limited, Independent Director
8.	Ms. Pushya Sitaraman Independent Director	6	3	1	-	1. The Western India Plywoods Limited - Independent Director
9.	Mr. S K Mitra Independent Director	9	8	4	-	1. IL&FS Engineering and Construction Company Limited - Independent Director 2. IL&FS Transportation Networks Limited – Non-Executive, Non Independent Director 3. Centrum Capital Limited - Independent Director 4. AGS Transact Technologies Limited - Independent Director
10.	Mr. S V Raja Vaidyanathan Non-Executive, Non-Independent Director	7	1	0	33,59,202	-
11.	Mr. T Balakrishnan Independent Director	8	6	2	-	1. The Western India Plywoods Limited - Independent Director

*As required by Clause 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures includes the number and name of listed entities on which a person is a director / independent director only those whose equity shares are listed on a stock exchange

**As required by Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures include Membership/ Chairpersonship of Audit Committee and Stakeholders Relationship Committee of Companies are shown.

During the year, Dr. Sumitha Nandan, daughter of Mr. V. P. Nandakumar was appointed as Additional Director in the category of Non-Executive, Non-Independent Director of the Company at board meeting held on September 22, 2023 and subsequently, the shareholders at their extra ordinary general meeting held on October 03, 2023 has approved her appointment as Non-Executive Non-Independent Director. She has resigned from the Board with effect from February 13, 2024.

As on March 31, 2024, there is no relationship between Directors inter se.

Familiarization Program for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. The Company has conducted two program during the financial year 2023-24. The details of the same uploaded in the company's website at the web link: <https://asirvadmicrofinance.co.in/familiarization-programmes/>

None of the Directors of the Company have exceeded the maximum number of Directorship as specified under Section 165 of the Companies Act, 2013.

The brief profiles of Directors are also available on the website of the Company <https://asirvadmicrofinance.co.in/board-of-directors/>

Pursuant to Clause C(2)(i) of Schedule V of Listing Regulations, in the opinion of the Board, the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

Separate meeting of the Independent Directors

A Separate Meeting of the Independent Directors was held on March 29, 2024, without the presence of Non-Independent Directors and members of Management. All the Independent Directors attended the meeting and inter alia:

- Reviewed the performance of non-independent directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

In compliance with extant statutes applicable and to focus effectively on the various roles and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Audit Committee met eleven times on the following dates during the financial year 2023-24 on May 04, 2023, May 08, 2023, June 27, 2023, July 31, 2023, August 05, 2023, October 03, 2023, November 06, 2023, December 14, 2023, December 30, 2023, February 03, 2024 and March 15, 2024.

Composition of the Audit Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Position and Category
Mr. D R Dogra	February 01, 2017	11	Chairman, Independent Director
Mr. Abhijit Sen	March 17, 2020	11	Member, Independent Director
Mr. Harshan Kollara	November 12, 2021	11	Member, Independent Director
Mr. Gautam Saigal	May 12, 2015	11	Member, Non-Executive, Non-Independent Director
Mr. S V Raja Vaidyanathan	July 01, 2021	10	Member, Non-Executive, Non-Independent Director
Mr. T Balakrishnan	May 15, 2018	11	Member, Independent Director

Role of Audit Committee Includes

- oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- (d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- i. 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;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. modified opinion(s) in the draft audit report.
- (e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) approval or any subsequent modification of transactions of the Company with related parties;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) 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;
- (p) 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;
- (q) 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;
- (r) to review the functioning of the whistleblower mechanism;
- (s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (t) carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (u) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (v) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- (w) monitoring the end use of funds raised through public offers and related matters.
- (x) carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and
- (y) to carry out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company.
- The Audit Committee shall mandatorily review the following information:
- (a) management discussion and analysis of financial condition and results of operations;
 - (b) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (c) internal audit reports relating to internal control weaknesses; and
 - (d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - (e) statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, as amended.

- ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations, as amended.
- (f) Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013 and SEBI LODR.

Role of Nomination and Remuneration Committee Includes

The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval: -

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- b) formulation of criteria for evaluation of performance of independent directors and the Board;
- c) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- d) devising a policy on Board diversity;
- e) identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- f) 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;
- g) recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- (h) carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

- (i) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("ESOP Scheme")
 - i. Determining the eligibility of employees to participate under the ESOP Scheme;
 - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - iii. Date of grant;
 - iv. Determining the exercise price of the option under the ESOP Scheme;
 - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - x. The grant, vest and exercise of option in case of employees who are on long leave;
 - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - xii. The procedure for cashless exercise of options;
 - xiii. Forfeiture/ cancellation of options granted;
 - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and

- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (j) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme
- (k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Nomination and Remuneration Committee met five times on the following dates during the financial year 2023-24: May 09, 2023, July 28, 2023, September 22, 2023, October 31, 2023 and January 30, 2024.

Composition of the Nomination and Remuneration Committee as on March 31, 2024 is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. T Balakrishnan	May 15, 2018	5	Chairman, Independent Director
Ms. Anita Belani*	May 09, 2023	4	Member, Independent Director
Mr. Harshan Kollara**	December 01, 2023	1	Member, Independent Director
Mr. Gautam Saigal	March 04, 2016	4	Member, Non-Executive, Non-Independent Director
Ms. Pushya Sitaraman	May 30, 2020	5	Member, Independent Director

*Appointed as Member with effect from May 09, 2023

**Appointed as Member with effect from December 01, 2023.

***Mr. A Ramanathan was member of the Committee until the closing of business hours on November 30, 2023 and attended 4 meetings of the Committee during the financial year 2023-24.

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters including:

- Understanding and knowledge of the entity in which it operates and the applicable regulatory norms
- Constructive and analytical decision making abilities and core competencies for effective functioning of the Board
- Understanding of the risk attached with the business structure
- Availability for meetings of the Board and attendance in the meeting of Committees regularly and timely, without delay
- Level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
- Participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms
- Commitment to ensure that there is fairness and integrity in the Company, in letter as well as spirit
- Exercise of own judgment and voicing of opinion freely

The Board has completed the performance evaluation of directors as per requirement of law. The Independent directors fulfilled the requirement of independence as laid down in the Act and SEBI LODR and are independent of management.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted pursuant to Section 178 of the Companies Act, 2013 read with rules made thereunder and SEBI LODR.

Role of Stakeholders Relationship Committee Includes

The role of the Committee, inter-alia, shall include the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports/statutory notices by the security holders of the Company.
- Review of all communications to security holders mandated by LODR and Companies Act, 2013

During the financial year 2023-24, the Stakeholder Relationship Committee met twice on the following dates: July 28, 2023 and February 01, 2024.

Composition of the Stakeholder Relationship Committee as on March 31, 2024 is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. Harshan Kollara*	March 23, 2023	2	Chairman, Independent Director
Mr. S K Mitra**	May 24, 2021	2	Member, Independent Director
Mr. B N Raveendra Babu	May 24, 2021	2	Member, Managing Director
Ms. Pushya Sitaraman	May 24, 2021	2	Member, Independent Director

* Member and Chairman of Stakeholder Relationship Committee with effect from May 09, 2023.

** Chairman of Stakeholder Relationship Committee upto May 09, 2023.

*** Mr. T.M. Manoharan was a member of Stakeholder Relationship Committee upto May 09, 2023 and did not attend any meetings during the financial year 2023-24.

Name, designation and address of Compliance Officer:

Ms. Aparna Menon
 Company Secretary
 Asirvad Micro Finance Limited
 9th Floor, No.9, Club House Road, Anna Salai- Chennai- 600002
 Ph: 04873050285
 Email ID: sec@asirvad.in

There are no complaints received from the security holders during the financial year 2023-24.

Risk Management Committee

The risk management framework is an important parameter that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. The Board of Directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the Board of Director's responsibilities. The Board has constituted Risk Management Committee to ensure proper management of risk in the Company.

The Risk Management Committee met five times on following dates during the financial year 2023-24: May 06, 2023, August 02, 2023, November 02, 2023, January 31, 2024 and February 19, 2024.

Composition of the Risk Management Committee as on March 31, 2024 is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. Gautam Saigal	March 04, 2016	5	Chairman, Non-Executive, Non-Independent Director
Mr. Abhijit Sen	May 30, 2020	5	Member, Independent Director
Ms. Anita Belani*	May 09, 2023	2	Member, Independent Director
Mr. B N Raveendra Babu	May 30, 2020	5	Member, Managing Director
Mr. D R Dogra	September 09, 2016	5	Member, Independent Director
Mr. S V Raja Vaidyanathan	November 06, 2014	4	Member, Non-Executive, Non-Independent Director
Mr. Satheesh Kumar Chalasani**	November 11, 2023	2	Non-Board Member, Chief Risk Officer

* Member of Risk Management Committee with effect from May 09, 2023.

**Mr. S. Umasankar has resigned from the position of Chief Risk Officer ("CRO") with effect from May 05, 2023, Mr. Nandagopalan G has appointed as Chief Risk Officer ("CRO") with effect from May 09, 2023 and has attended one meeting of the Risk Management Committee as CRO. Mr. Nandagopalan G has resigned from the position with effect from August 10, 2023. Mr. Satheesh Kumar Chalasani has appointed as Chief Risk Officer ("CRO") with effect from November 11, 2023 .

*** Mr. T.M. Manoharan was a member of Risk Management Committee upto May 09, 2023 and did not attend any meetings during the financial year 2023-24

Role of Risk Management Committee Includes

The role of the Risk Management Committee, inter-alia, shall include the following:

- To formulate a detailed Risk Management Policy, which shall cover the following:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c. Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- Identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, compliance risk, credit risk, transactional risk etc.);
- overseeing its integrated risk measurement system;
- to analyze the critical decision for investments and corporate lending;
- Perform such other act, including the acts and functions stipulated by RBI and any other regulatory authority, as prescribed from time to time.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee ("CSR Committee"). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs as per the Annual Action Plan of the Company and monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met four times on below mentioned dates during the financial year 2023-24: May 04, 2023, August 01, 2023, October 31, 2023 and January 29, 2024.

Composition of the Corporate Social Responsibility Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Ms. Pushya Sitaraman	May 13, 2019	4	Chairperson, Independent Director
Mr. B N Raveendra Babu	February 01, 2017	4	Member, Managing Director
Mr. D R Dogra	July 01, 2021	4	Member, Independent Director
Mr. T Balakrishnan	July 01, 2021	4	Member, Independent Director

Role of CSR Committee Includes

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- Monitor the CSR Policy of the Company from time to time;
- Formulation of Annual Action Plan in accordance with CSR Policy

IT Strategy Committee

IT Strategy Committee was constituted as per the applicable RBI directives. The Constitution of IT Strategy Committee is mandatory for the Company.

During the financial year 2023-24, the IT Strategy Committee met five times on the following dates: June 24, 2023, July 29, 2023, November 01, 2023, December 18, 2023 and March 04, 2024.

Composition of the IT Strategy Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. S K Mitra	March 17, 2020	5	Chairman, Independent Director
Mr. Abhijit Sen	July 01, 2021	5	Member, Independent Director
Mr. B N Raveendra Babu	May 13, 2019	5	Member, Chief Information Officer, Managing Director
Mr. S V Raja Vaidyanathan	November 04, 2017	4	Member, Non-executive, Non-Independent Director
Mr. Joshy K G	March 14, 2022	5	Member, Chief Technology Officer

Borrowing & Securities Allotment Committee

The Borrowing & Securities Allotment Committee is in place inter alia to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration and for allotment of Securities.

The Borrowing & Securities Allotment Committee met twenty nine times on the following dates during the financial year 2023-24: April 19, 2023, May 02, 2023, May 16, 2023, May 24, 2023, June 03, 2023, June 15, 2023, June 24, 2023, June 29, 2023, June 30, 2023, July 07, 2023, July 10, 2023, July 20, 2023, August 10, 2023, August 25, 2023, August 31, 2023, September 13, 2023, September 21, 2023, September 26, 2023, October 19, 2023, October 26, 2023, November 18, 2023, November 29, 2023, December 13, 2023, December 29, 2023, January 09, 2024, January 29, 2024, February 28, 2024, March 04, 2024 and March 14, 2024.

Composition of the Borrowing & Securities Allotment Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. B N Raveendra Babu	February 19, 2015	29	Chairman, Managing Director
Mr. T Balakrishnan*	February 05, 2024	3	Member, Independent Director
Mr. S V Raja Vaidyanathan	April 25, 2009	29	Member, Non- Executive, Non-Independent Director
Mr. V P Nandakumar	February 19, 2015	29	Non-Executive, Non-Independent Director

* Appointed as Member of Borrowing & Securities Allotment Committee with effect from February 05, 2024.

**Mr. A Ramanathan was member of the Committee until the closing of business hours on November 30, 2023 and attended 22 meetings of the Committee during the financial year 2023-24.

*** Dr. Sumitha Nandan was appointed as member of Borrowing & Securities Allotment Committee with effect from December 01, 2023, until the closing of business hours on February 13, 2024. She attended 4 meetings of the Committee during the financial year 2023-24.

Management Committee

For ensuring effective management of overall operations of the Company, the Management Committee was constituted. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to give a high-level strategy for the functioning of business. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to ascertain that procedures/ codes of the Company are adhered effectively.

During the Financial Year, the said Committee met twice i.e., on June 07, 2023, and March 15, 2024.

Further, the composition of Management Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. V P Nandakumar	July 01, 2021	2	Chairman, Non-Executive, Non-Independent Director
Mr. Abhijit Sen	March 17, 2020	2	Member, Independent Director
Mr. B N Raveendra Babu	May 13, 2019	2	Member, Managing Director
Mr. D R Dogra	February 01, 2017	2	Member, Independent Director
Mr. Gautam Saigal	May 12, 2015	2	Member, Non-Executive, Non-Independent Director
Mr. Harshan Kollara	November 12, 2021	2	Member, Independent Director
Mr. S V Raja Vaidyanathan	September 07, 2009	2	Member, Non-Executive, Non-Independent Director

IPO Committee

The IPO Committee was constituted by the Board of Directors on September 22, 2023, for the purpose of issue and listing the Equity Shares on one or more of the Stock Exchanges.

During the financial year 2023-24, the IPO Committee met thrice on the following dates: October 04, 2023, January 06, 2024 and February 15, 2024.

Composition of the IPO Committee as on March 31, 2024, is as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. V P Nandakumar	September 22, 2023	2	Chairman, Non-Executive, Non-Independent Director
Mr. B N Raveendra Babu	September 22, 2023	3	Member, Managing Director
Mr. D R Dogra	September 22, 2023	2	Member, Independent Director
Mr. Gautam Saigal	September 22, 2023	3	Member, Non-Executive, Non-Independent Director

Asset Liability Committee

Asset Liability Committee is an executive committee comprising of the management team, constituted to inter alia monitor the asset liability gap, strategize action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

During the financial year 2023-24, the Asset Liability Committee met Twelve times on the following dates: April 11, 2023, May 15, 2023, June 19, 2023, July 19, 2023, August 28, 2023, September 20, 2023, October 27, 2023, November 16, 2023, December 22, 2023, January 25, 2024, February 23, 2024 and March 21, 2024.

Composition of the Asset Liability Committee as on March 31, 2024 are as follows:

Name of the Director	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2023-24	Category
Mr. B N Raveendra Babu	May 30, 2020	12	Chairman, Managing Director
Mr. Chintha Prasad	November 07, 2022	12	Member, CEO-MFI
Mr. Satheesh Kumar Chalasani*	November 11, 2023	7	Member, CRO
Mr. Rajesh KRN Nambodiripad	May 17, 2022	12	Member and Secretary of the Committee, CFO

*Mr. S. Umasankar has resigned from the position of Chief Risk Officer ("CRO") with effect from May 05, 2023 and attended 1 meeting of ALCO in the financial year 2023-24.

Mr. Nandagopalan G was appointed as Chief Risk Officer ("CRO") with effect from May 09, 2023 and attended 3 meetings of ALCO in the financial year 2023-24. Mr. Nandagopalan G has resigned from the position with effect from August 10, 2023.

Mr. Satheesh Kumar Chalasani was appointed as Chief Risk Officer ("CRO") with effect from November 11, 2023.

Senior management

Particulars of senior management including the changes therein since the close of the previous financial year.

Senior Management	As on March 31, 2024	Changes happened during the year
CEO-MFI	Mr. Chintha Prasad	Change in designation from Head- Collection and Disbursement of MFI to CEO-MFI
CFO	Mr. Rajesh K R N Namboodiripad	No Change
Business Head Gold Loan	Mr. Muthu Bhaskar	No Change
HR Head	Mr. Shyju K	Ms. Neena K P (upto July 25, 2023) Mr. Shyju K (from August 07, 2023)
CCO	Mr. Sugesh Ram K S	No Change
CS	Ms. Aparna Menon	No Change
CTO	Mr. Joshy K G	No Change
CRO	Mr. Satheesh Kumar Chalasani	Mr. S. Umasankar (Upto May 05, 2023) Mr. Nandagopalan G. (from May 09, 2023 to August 10, 2023) Mr. Satheesh Kumar Chalasani (from November 11, 2023)
Head of Internal Audit	Ms. Jiji Joseph	Mr. R. Nandakumar (upto May 08, 2023) Ms. Jiji Joseph (from May 09, 2023)
CISO	Mr. Adinadh K R	No Change
CIRO	Mr. Basavraj Shetty	Mr. Basavraj Shetty (from November 11, 2023) Addition during the year

Remuneration to Directors

Details of remuneration of the Directors for the financial year ended March 31, 2024:

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission for the year ended March 31, 2024 approved by the Board of Directors (excluding GST)	Stock Options	Shareholding (Equity) (No.)
Mr. V P Nandakumar	-	-	-	-	7,78,209
Mr. S V Raja Vaidyanathan	-	10.10	14	-	33,59,202
Mr. B N Raveendra Babu	144.34	-	60	-	1,88,466
Mr. Gautam Saigal	-	8.59	17.50	-	1,54,005
Mr. T Balakrishnan	-	8.38	17.50	-	-
Mr. A Ramanathan*	-	4.88	-	-	1,14,600
Mr. D R Dogra	-	8.28	19.50	-	89,472
Mr. T M Manoharan**	-	-	-	-	-
Ms. Pushya Sitaraman	-	5.70	17.50	-	-
Mr. S K Mitra	-	5.13	17.50	-	-
Mr. Abhijit Sen	-	8.77	14	-	-
Mr. Harshan Kollara	-	7.35	17.50	-	-
Ms. Anita Belani	-	4.29	14	-	-
Dr. Sumitha Nandan***	-	-	-	-	-

*Retired from the position of the Independent Director on completion of his second term of Office as an Independent Director of the Company with effect from the closing of business hours on November 30, 2023.

**Resigned from the Board due to health issues with effect from July 15, 2023.

***Appointed as Additional Director in the category of Non-Executive, Non-Independent Director of the Company at board meeting held on September 22, 2023 and subsequently the shareholders at their extra ordinary general meeting held on October 03, 2023 has regularized her appointment as Non-Executive, Non-Independent Director. She resigned from the Board with effect from February 13, 2024.

Criteria of making payments to Non-Executive Directors

While considering the level of commission payable to the independent, non-executive directors, the Nomination and Remuneration Committee takes into account various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the Board, fit and proper status and feedback of performance appraisal questionnaire, etc.

For the Financial Year 2024, the Nomination and Remuneration Committee and the Board considered the performance of Non- executive Directors across the different parameters, identified and fixed a base commission for Non- executive Directors and an additional commission for Chairpersons of statutory Committees.

Disclosures with respect to Remuneration

Executive Directors

Mr. B N Raveendra Babu, Managing Director

- i. all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Remuneration paid for FY 2024

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Benefits/ Provident Fund	Sitting Fee	Commission paid during the year	Stock Options
Mr. B N Raveendra Babu	134.70	9.64	-	60	-

Details of Remuneration approved by Shareholders of the Company:

- Salary: ₹ 1,36,20,000 (Rupees One Crore Thirty Six Lakh and Twenty Thousand Only) per annum with effect from July 01, 2023.
- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- Retirement Benefits / Perquisites Contribution to PF: @ 12% of the monthly salary;
- Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;
- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);

- Medical Reimbursement Expenses: For self and family including premium payable for medical insurance;
- Personal Accident Insurance: As per the rules of the Company;
- Leave Travel Concession: For self and family once in a year as per the rules of the Company;
- Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees;
- Perquisite: Rent Free Accommodation provided, while staying in Chennai
- Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.
- In the event of inadequacy of profits or no profits, Mr. B N Raveendra Babu, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3 Crore during any financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.

- ii. performance criteria includes the below;

- Performance related to budget
- Performance vis a vis peers
- Employee engagement weightage (based on team building, attrition levels etc) Employee engagement survey and actions taken thereafter.
- Building an ethical culture in the organisation, developing a strong Risk management and compliance culture across the Company, with strong and constructive relationship building with regulators and investor relations

- iii. service contracts, notice period, severance fees; NA

- iv. stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

Resignation of Independent Director

Mr. T M Manoharan, Independent Director of the Company has Resigned from the Board due to health issues with effect from July 15, 2023. The confirmation by such director that there are no other material reasons other than those provided is available at https://asirvadmicrofinance.co.in/wp-content/uploads/2024/08/Resignation%20Letter_Manoharan%20Makkunni%20Thaniyath.pdf

General Body Meetings

Details of the last three Annual General Meetings of the Company are given below:

Sl No.	Meeting	Date & Time	Venue
1	Annual General Meeting	August 16, 2023 at 11.00 AM	9th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002 (Through Video Conference)
Special Resolutions Passed			
<ul style="list-style-type: none"> Alteration of the Articles of Association of the Company Revision in remuneration of Mr. B.N. Raveendra Babu, Managing Director of the company 			
2	Annual General Meeting	September 24, 2022 at 11.00 AM	9th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002. (Through Video Conference)
Special Resolutions Passed			
<ul style="list-style-type: none"> Re-appointment of Mr. S.K Mitra as an Independent Director of the Company Re-appointment of Mr. T Balakrishnan as an Independent Director of the Company Re-appointment of Mr. T M Manoharan as an Independent Director of the Company Revision in remuneration of Mr. B N Raveendra Babu, Managing Director of the company 			
3	Annual General Meeting	September 08, 2021 at 04.00 PM	10th Floor, Door No. 9, Club House Road, Anna Salai, Chennai-600002. (Through Video Conference)
Special Resolutions Passed			
<ul style="list-style-type: none"> Increase in the borrowing power of the Company U/s 180(1) (c) of the Companies Act, 2013 Creation of charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1) (a) of the Companies Act, 2013 Re-appointment of Mr. D R Dogra as Independent Director of the Company 			

No resolutions were passed vide Postal Ballot during the financial year 2023-24. No special resolution is proposed to be conducted through postal ballot.

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

Details of Extraordinary General Meeting during the FY 2023-24: -

Sl No.	Meeting	Date & Time	Venue
1	Extraordinary General Meeting	April 01, 2023, at 10.30 AM.	Board Room, 4th floor, IV/470A (old) W638A (new), Manappuram House, Valapad, Thrissur-680567 (Kerala) (Through Video Conference)
Special Resolutions Passed			
<ul style="list-style-type: none"> Increasing the borrowing power of the Company under Sections 180(1) (c) of the Companies Act, 2013 Creation of charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1) (a) of the Companies Act, 2013 			
2	Extraordinary General Meeting	August 18, 2023, at 11.00 AM	Board Room, 4th floor, W - 4/ 638 A Manappuram House, Valapad, Thrissur, Kerala - 680567 (Through Video Conference)
Special Resolutions Passed			
Nil			
3	Extraordinary General Meeting	October 03, 2023 at 5.30 PM.	Board Room, 4th floor, IV/470A (old) W638A (new), Manappuram House, Valapad, Thrissur, Kerala - 680567 (Through Video Conference)
Special Resolutions Passed			
<ul style="list-style-type: none"> Initial Public Offer of Equity Shares of the Company upto an aggregate of ₹ 15,000 Million. Alteration of the Articles of Association of the Company. Adoption and approval of Amended Asirvad Micro Finance Limited Employee Stock Option Scheme 2019. Increase in investment limits for Non-Resident Indians and Overseas Citizens of India. 			

Means of Communication

The Company publishes the un-audited / audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015. The financial results in the prescribed format are published in leading newspapers like Financial Express. The Company has its website at <https://asirvadmicrofinance.co.in/> where in relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on its web site. The company is a debt listed company hence it does not make presentations to institutional investors/ analysts.

All information/communication for debenture holders is duly filed with BSE Limited and the same are posted in the Company's website.

General Shareholders Information as on March 31, 2024

(a) Annual general meeting - date, time and venue;	Date: September 30, 2024 Time: 11.00 A.M. (IST) through video conferencing Venue: through video conferencing
(b) Financial year;	2023-24
(c) Dividend payment date;	NA (No payment during the FY 2023-24)
(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	Debt Securities of the Company are listed at BSE Limited (BSE). Address of BSE: 25th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 Annual listing fee for FY 2023-24 has been paid by the Company to BSE within due date.
(e) Stock code;	BSE Scrip Code- 950689
(f) Market price data- high, low during each month in last financial year;	NA (Debt listed Company)
(g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;	NA (Debt listed Company)
(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof;	NA
(i) Registrar to an issue and share transfer agents;	Link Intime India Private Limited Surya, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu Phone: +91 422 2539835 /836, 4958995 E-mail: coimbatore@linkintime.co.in Investor grievance e-mail: coimbatore@linkintime.co.in Website: www.linkintime.co.in
(j) Share transfer system;	All shares and debentures of the Company are in the Demat form and are transferrable through Depository System.
(k) Dematerialization of shares and liquidity	Detailed below
(l) Distribution of shareholding	Detailed below
(m) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	NA (It is a debt listed company)
(n) Commodity price risk or foreign exchange risk and hedging activities;	Please refer the Notes No. 42 and 51 of financial statements
(o) Plant locations;	There are no plants for the company, however, we have branches across India
(p) Address for correspondence.	Registered Office: 9th Floor, No.9, Club House Road, Anna Salai, Chennai, Tamil Nadu - 600002
(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Details of Credit Rating is detailed in the Directors' Report.

(k) Dematerialization of Shares and Liquidity

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares.

Shares of the Company are unlisted.

As on March 31, 2024 100% of the equity shares of the Company are in electronic form with the depositories as detailed below:

Category	No. of Shares	%
National Securities Depository Limited	20,02,54,410	99.99%
Central Depository Services (India) Limited	28,962	0.01%
Total	20,02,83,372	100%

(l) Distribution of shareholding as on March 31, 2024

SL No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1000 - 10000	0	0	0	0
2	10001 - 20000	0	0	0	0
3	20001 - 30000	1	10	28,962	0.01
4	30001 - 40000	0	0	0	0
5	40001 - 50000	2	20	84,837	0.04
6	Above 50000	7	70	20,01,69,573	99.95
Total		10	100	20,02,83,372	100

Other Disclosures

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Details of material related party transactions have been given in AOC-2. Transactions with related parties are disclosed in Note 36 of Standalone financial statements. Company has obtained Ordinary Resolution from shareholders at the Extra Ordinary General Meeting for entering into Related Party Transactions with Manappuram Finance Limited upto a limit of ₹ 1000 Crore (Rupees Thousand Crore Only).
- There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years except as given below:

Name of Stock Exchange	Relevant Regulation	Fine Amount/ Basis of Calculation (In ₹)	Date of Notice
BSE Limited	Regulation 60(2)	11,800 (10,000 per day plus GST)	September 28, 2022
BSE Limited	*Regulation 57(1)	3,540 (1000 per day plus GST)	September 28, 2022

*Waiver for Regulation 57(1) received from BSE on November 23, 2023.

*The Company has received multiple notices from BSE and have reverted with proof of compliance.

As at March 31, 2024, the Company has received multiple notices and is awaiting waiver notices for emails from BSE imposing fines worth ₹ 35,400

- The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link <https://asirvadmicrofinance.co.in/wp-content/uploads/2023/09/Policy%20on%20Vigil%20Mechanism.pdf>
- Details of compliance with Mandatory requirements and adoption of non-mandatory requirements- Company is in compliance with all mandatory requirements applicable to it as per SEBI LODR i.e., Chapter II, Chapter III, Chapter IV (From Regulation 17 to 27) and Chapter V.
- The Company does not currently have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. The Policy on Material Subsidiaries may be accessed at <https://asirvadmicrofinance.co.in/wp-content/uploads/2023/12/Policy%20on%20determining%20material%20subsidiaries%2011-11-2023.pdf>

- The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of <https://asirvadmicrofinance.co.in/wp-content/uploads/2023/12/Policy%20on%20Related%20Party%20Transactions%20%2011-11-2023.pdf>
- The disclosure of commodity price risks and commodity hedging activities

Since the Company is majorly into the business of Microfinance, except for the market risk associated with the natural calamities like drought, Flood etc, there was no direct exposure for the MFI business to the Commodity Price Risk.

Regarding the Company's Loans against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. Though in a long term perspective gold has appreciated, there were instances of depreciation of gold at times. The Company does therefore susceptible to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more which are to be shared with the borrower and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement. The company mitigates the price risks by offering various rebate schemes to borrowers for timely interest servicing, offering lower interest rate for loans with lower LTV.

The company has shifted from short term loans with maturity of 90 days to a duration of one year as commodity price risk seems to have subsided. The price of gold has been staying at elevated levels and is likely to remain so due to various geopolitical tensions and inflationary trends. The trend in adding gold reserves by major central banks is likely to maintain gold price at the elevated levels. The elevated price of gold should positively impact collections as loss of principal and interest during auctions are expected to be negligible, thereby positively impacting yields. Besides, high price will also minimize the downside risk to AUM from a shrinkage in gold stocks held by us, assuming LTV is more or less the same.

The Company does not face any foreign exchange risks from its loan portfolio as all its loans are in Indian Rupee. The company's borrowing is also largely in Indian rupee. However, based on the market opportunities, the company also raises loans denominated in foreign currency. As a policy, the company fully hedges its foreign currency exposures, and the Company does

not have any unhedged foreign currency borrowings. For hedging, the company avoids complex derivative instruments and opts for plain vanilla forward contracts or cross currency swaps or combinations for hedging foreign exchange risks.

- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). _ NA
- A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is published at the report as Annexure-I
- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:- NA
- Total fees for all services paid by the listed entity to the statutory auditor is detailed in Note. 31(t) of the Financial Statements.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. Number of complaints filed during the financial year - 2
 - b. Number of complaints disposed of during the financial year - 1
 - c. Number of complaints pending as on end of the financial year - 1
- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'- Nil
- Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries- The Company has no Subsidiaries
- Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. – Nil
- The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015 as applicable.

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:

- ◆ The Company does not spend for the non-executive chairperson's office and also does not reimburse expenses incurred in performance of his duties.
- ◆ The auditors' report on statutory financial statements of the Company are unmodified.
- ◆ Mr. V P Nandakumar is the Non-Executive Chairman of the Company and Mr. B N Raveendra Babu is the Managing Director of the Company.

The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director

- ◆ The internal auditor reports directly to the audit committee
- The Company has complied with all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27.

Clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company) is not applicable to the Company. Company is in Compliance with website disclosure requirements specified in Regulation 62 of Listing Regulations.

Code of Conduct

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at <https://asirvadmicrofinance.co.in/wp-content/uploads/2024/05/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Managing Director of the Company is published in this report as Annexure - II.

MD/CFO Certification-

The requisite certification made by MD/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2023-24 which was taken note by the Board of Directors at its meeting held on May 22, 2024 is published in this report as Annexure – III.

Disclosures with respect to demat suspense account/unclaimed suspense account – NA. Shares of the Company are not listed.

Disclosure of certain types of agreements binding listed entities – NA as Part A of Schedule III of Listing regulations is not applicable to the Company.

Matrix setting out the skills/expertise/competence of the board of directors

Leadership

Extended business leadership experience resulting in understanding of organizational and administrative processes and practices, strategic planning and risk management

People Practices

Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.

Financial Management & Control

Proven expertise in financial management, financial control, capital planning and Accounting with understanding of associated standards and reporting practices

Diversity including gender and occupation

Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government and other stakeholders.

Technology

A significant background in technology including applications, Infrastructure, information security etc resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

Governance

Service in a public company board with good insights on Governance requirements and practices for Board and management and accountability, protecting shareholders interests.

Sales and Marketing

Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation

Regulatory and compliance

Extended experience and understanding of the regulatory environment operating in the context of the business of financial services including financial risk management

Law

Legal background and experience

Financial Services

Extended experience in a financial services firm enabling a rich understanding of the sector and the context including financial inclusion practices and strategies

Sustainability

Experience and exposure in understanding sustainability from the business perspective with regard to employees, customers and the larger community including the environment.

Please insert a “✓” against core skills/expertise/competencies as defined below, which each Director identifies that he/she possess.

Name of Director	Mr. V P Nandakumar	Mr. Abhijit Sen	Mr. B N Raveendra Babu	Mr. D R Dogra	Mr. Gautam Saigal	Ms. Pushya Sitaraman	Mr. S K Mitra	Mr. S V Raja Vaidyanathan	Mr. T Balakrishnan	Mr. Harshan Kollara	Ms. Anita Belani
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
People Practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Control	✓	✓	✓	✓	✓		✓	✓		✓	
Diversity including gender and occupation	✓					✓	✓		✓	✓	✓
Technology		✓	✓				✓	✓		✓	
Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sales and Marketing	✓		✓		✓		✓	✓			
Regulatory	✓	✓	✓	✓		✓		✓	✓	✓	
Law						✓		✓	✓		✓
Financial Services	✓	✓	✓	✓	✓		✓	✓		✓	
Sustainability	✓		✓					✓	✓		✓

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V P Nandakumar

Chairman
 DIN: 00044512

B N Raveendra Babu

Managing Director
 DIN: 00043622

Date: May 24, 2024
 Place: Valapad

Annexure-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Asirvad Micro Finance Limited
9th Floor, No. 9, Club House Road,
Anna Salai, Chennai – 600 002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Asirvad Micro Finance Limited** (CIN: U65923TN2007PLC064550) and having its registered office at 9th Floor, No. 9, Club House Road, Anna Salai, Chennai – 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment
1	Mr.V P. Nandakumar	00044512	10/02/2015
2	Mr.B N Raveendra Babu	00043622	10/02/2015 / 01/07/2021#
3	Mr.Abhijit Sen	00002593	17/03/2020
4	Mr.S K Mitra	00029961	17/03/2020/ 01/01/2023*
5	Mr.T Balakrishnan	00052922	15/05/2018
6	Mr.T M Manoharan@	00225640	15/05/2018/ 15/05/2023
7	Mr.D R Dogra	00226775	09/09/2016 /08/09/2021*
8	Mr.Gautam Saigal	00640229	18/03/2015
9	Mr. S V Raja Vaidyanathan	01467098	29/08/2007
10	Mr. Harshan Kollara	01519810	07/08/2021
11	Mr. A Ramanathan^	02645247	18/03/2015 / 31/07/2020*
12	Ms. Pushya Sitaraman	06537196	02/02/2019 / 01/02/2022*
13	Ms Anita Belani	01532511	13/01/2023
14	Dr. Sumitha Nandan^^	03625120	22/09/2023

Appointed as Managing Director

*Re-appointed for Second term as Independent Director

@Resigned from the office of director with effect from 15/07/2023

^Retired as Independent Director as his tenure completed on 30/11/2023

^^Resigned from the office of director with effect from 13/02/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Dr.C.V.Madhusudhanan

Partner

FCS: 5367; CP:4408

UDIN: F005367F000433762

PR No.2635/2022

Date: 22nd May, 2024
Place: Coimbatore

Annexure-II**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended March 31, 2024, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Valapad
Date: May 24, 2024

B N Raveendra Babu
Managing Director
DIN: 00043622

Annexure-III**CEO & CFO CERTIFICATION UNDER SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To:

The Board of Directors of Asirvad Micro Finance Limited

We, B N Raveendra Babu, Managing Director and Rajesh KRN Namboodiripad, Chief Financial Officer of Asirvad Micro Finance Limited, ("the Company") hereby certify that: -

- (a) We have reviewed financial statements and cash flow statement for the year ended March 31, 2024, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - 1. significant changes, if any, in the internal control over financial reporting during the financial year ended March 31, 2024;
 - 2. significant changes, if any, in the accounting policies during the financial year ended March 31, 2024 and that the same have been disclosed in the notes to the financial statements; and
 - 3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

B N Raveendra Babu

Managing Director

DIN: 00043622

Place: Valapad

Date: May 22, 2024

Rajesh KRN Namboodiripad

Chief Financial Officer

Annexure-D
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
1. Brief outline on CSR Policy of the Company

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The CSR Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the CSR Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The CSR Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

2. Compositions of the Corporate Social Responsibility Committee as on March 31, 2024:

SL No.	Name of the 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	Mrs. Pushya Sitaraman	Chairperson, Independent Director	4	4
2	Mr. B N Raveendra Babu	Member, Managing Director	4	4
3	Mr. T Balakrishnan	Member, Independent Director	4	4
4	Mr. D R Dogra	Member, Independent Director	4	4

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

Composition of CSR committee is available on the company's website at <https://asirvadmicrofinance.co.in/sub-committee/>

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at <https://asirvadmicrofinance.co.in/wp-content/uploads/2023/12/CSR%20Policy.pdf>

CSR projects approved by the board is available on the Company's website at <https://asirvadmicrofinance.co.in/csr/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. - Not Applicable.

- 5.** (a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 12081.60 Lakhs
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹ 241.63 Lakhs
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set-off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 241.63 Lakhs
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 241.63 Lakhs
 (b) Amount spent in Administrative overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Not Applicable.
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 241.63 Lakhs
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
241.63	Nil	-	-	-	-

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

Sl. No.	Particular	Amount (₹ In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(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	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

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

(₹ In Lakhs, unless otherwise mentioned)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any Amount Date of transfer	Amount remaining to be spent in succeeding financial years	Deficiency, if any
1.	2022-23	40.57	40.57	40.57	- -	-	
2.	2021-22	312.29	135.48	113.75	- -	21.73	
3.	2020-21	-	-	-	- -	-	
TOTAL		-	-	-	- -	-	

8. Whether any capital asset have been created or acquired through Corporate Sociability Responsibility amount spent in the financial year:

Yes

If yes, enter the number of capital asset created or acquired- 115 Assets

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

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Registered address	
1.	Interior And Civil Works (Infrastructural Development Of Manappuram Civil Service Academy) Address: Punkunnam Junction, 4 th Floor, Sobha Heights Building Agraharam Road, Thrissur, Kerala 680002	680002	27/10/2023	477,292	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
2.	1 Wheelchair, Abhishek TA, S/O Anilumar, Thaliyecha House, Eriyad PO, 680666	680666	27/03/2024	129,895	Nil	Abhishek TA,	Abhishek TA, S/O Anilumar, Thaliyecha House, Eriyad PO, 680666

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
3	1 Wheelchair, Asokan P , S/O Ambadi, Valanjikkunnil House, Chengalayi P O Cherankunnu - 670301	670301	28/3/2024	60,900	Nil	Asokan P	Name- Asokan P (53) Address- S/O Ambadi, Valanjikkunnil House, Chengalayi PO cherankunnu - 670301 Kannur District +91 9961609514 Family- Lakshmi (76)-Mother, Sneha George (43) -Wife, Aswas (15)-Son, Anugraha(12)- Daughter, Ration Card- Bpl Disease - Muscular Dystrophy
4	Dream Runners Foundation, Flat- Sf2, Mulberry, New No. 6, Old No.14,li Cross Street, Karpagam Gardens, Adyar, Chennai - 600020	600020	14/6/2023	11,00,000	CSR00013499	Dream Runners Foundation	Dream Runners Foundation, Flat- Sf2, Mulberry, New No. 6,Old No.14,li Cross Street,Karpagam Gardens,Ad
5	1 Wheelchair, Abhijith P J, Devakshaya, Court Junction, Csra 109a, Mavelikara P O, 690101, Alappuzha District	690101	27/03/2024	1,30,000	Nil	Abhijith P J	Devakshaya, Court Junction, Csra 109a, Mavelikara P O, 690101, Alappuzha District
6	1 Wheelchair, Abhinandh. S, Ambbivavakkathil Veedu, Pallimukku , Kundara, Kollam , Pin - 691501	691501	27/03/2024	1,30,000	Nil	Abhinandh. S	Ambbivavakkathil Veedu, Pallimukku, Kundara, Kollam , Pin - 691501
7	1 Wheelchair,Abinav Chandra .M, Puthanpurayil House, Po Pallivayal, Mazhooor, Idukuzhi, Pin 670142	670142	27/03/2024	1,30,000	Nil	Abinav Chandra .M	Puthanpurayil House, Po Pallivayal, Mazhooor, Idukuzhi, Pin 670142
8	1 Wheelchair,Abiya Mary, Muthezathopp (H), Muriyad,Thrissur - 680683	680683	27/03/2024	1,30,000	Nil	Abiya Mary,	Abiya Mary, Muthezathopp (H), Muriyad,Thrissur - 680683
9	1 Wheelchair,Adarsh K.M, Cheriatharammal, ERAVATTUR P.O, PERAMBRA 673525	673525	27/03/2024	1,30,000	Nil	Adarsh K.M	Adarsh K.M ,Cheriatharammal, Eravattur P.O, Perambra 673525
10	1 Wheelchair,Adil Roshan, KALAPPURAKKAL(H), PO MULLASSERY, PIN 680509, THRISSUR (DST)	680509	27/03/2024	1,30,000	Nil	Adil Roshan	Kalappurakkal(H), Po Mullassery, Pin 680509, Thrissur (Dst)
11	1 Wheelchair,Adithyan T B, Manaleppu Veettil, Kaliyattamukk, M. H Nagar, P.O. Moonniyur, Pin :676 311	676 311	27/03/2024	1,30,000	Nil	Adithyan T	Adithyan T ,Manaleppu Veettil, Kaliyattamukk, M. H Nagar, P.O. Moonniyur, Pin :676 311
12	1 Wheelchair,Adwaith.J, S/O Jagadeeswaran, Meleppura House, Chanthiruthi Koduvayur, Palakkad, Pin 678501	678501	27/03/2024	1,30,000	Nil	Adwaith.j,	S/O Jagadeeswaran, Meleppura House, Chanthiruthi Koduvayur, Palakkad, Pin 678501

(₹ In Lakhs, unless otherwise mentioned)

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(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
13	1 Wheelchair, Aiswarya Manikandan ,Kunnath House, Pallikkunn P. O, Kumaramputhooor, Mannarkkad, Pin :678583	678583	27/03/2024	1,30,000	Nil	Aiswarya Manikandan	Aiswarya Manikandan ,Kunnath House, Pallikkunn P. O, Kumaramputhooor, Mannarkkad, Pin :678583
14	1 Wheelchair, Ajeema M ,S/O Sibi Rajan, Puthan Tharayil, Thaikkal P.O, Cherthala, Pin: 688530	688530	27/03/2024	1,30,000	Nil	Ajeema M	Ajeema M ,S/O Sibi Rajan, Puthan Tharayil, Thaikkal P.O, Cherthala, Pin: 688530
15	1 Wheelchair,Ajithakumar K J , Kaippilliparambath House,Mudikkal, P.O Perumbavoor - 683547	683547	27/03/2024	1,30,000	Nil	Ajithakumar K J	Ajithakumar K J, Kaippilliparambath House,Mudikkal, P.O Perumbavoor - 683547
16	1 Wheelchair, Ajith M R ,Mudavanparambil House. Vilakparamb. Kaipamangalam Po, Thrissur, Pin: 680681	680681	27/03/2024	1,30,000	Nil	Ajith M R	Ajith M R, Mudavanparambil House. Vilakparamb. Kaipamangalam Po, Thrissur, Pin: 680681
17	1 Wheelchair, Akulkrishna. S ,Raisha Cottage, Kunjippanam Paramb , Kamburam , West Hill (P.O) , CALICUT Pin Code: 673005	673005	27/03/2024	1,30,000	Nil	Akulkrishna	Akulkrishna. S ,Raisha Cottage, Kunjippanam Paramb , Kamburam , West Hill (P.O), CALICUT Pin Code: 673005
18	1 Wheelchair,Arjun. P,Kunduvallappil House Drishya Nagar Ollukara Po, Puliparambu, 680655	680655	27/03/2024	1,30,000	Nil	Arjun. P	Arjun. P ,Kunduvallappil House Drishya Nagar Ollukara Po, Puliparambu, 680655
19	1 Wheelchair, ASHBI. VR ,Puthanpurayil House, Po Pallivayal, Mazhooor, Idukuzhi, Pin 670142	670142	27/03/2024	1,30,000	Nil	ASHBI. VR	Ashbi. Vr ,Puthanpurayil House, Po Pallivayal, Mazhooor, Idukuzhi, Pin 670142
20	1 Wheelchair, Augustin V G, Madathissery(H), Pattimattom (Po), Pazhamthottam, 683562(Pin), Ernakulam (Dt)	683562	27/03/2024	1,30,000	Nil	Augustin V G	Augustin V G, Madathissery(H), Pattimattom (Po), Pazhamthottam, 683562(Pin), Ernakulam (Dt)
21	1 Wheelchair,Deepa S P, Nisha Mandiram Kuttikkadu (P. O), Kadakkal, Pin: 691536	691536	27/03/2024	1,30,000	Nil	Deepa S P	Deepa S P, Nisha Mandiram Kuttikkadu (P. O), Kadakkal, Pin: 691536
22	1 Wheelchair,Delwin Antony, Kanikkara House, Muthu, Tirur (PO) - 676101	676101	27/03/2024	1,30,000	Nil	Delwin Antony	Delwin Antony ,Kanikkara House, Muthu, Tirur (PO) - 676101
23	1 Wheelchair, Edwin George, Thoppil Kizhakkethil, Nediyaakala, Elavumthitta P O, Pin : 689625	689625	27/03/2024	1,30,000	Nil	Edwin George	Edwin George ,Thoppil Kizhakkethil, Nediyaakala, Elavumthitta P O, Pin : 689625
24	1 Wheelchair,Farsana K.A, Farsana K.A Kottammal, H. Vilayil, Po Malappuram Dt. 673641	673641	27/03/2024	1,30,000	Nil	Farsana K.A	Farsana K.A Kottammal, H. Vilayil, Po Malappuram Dt. 673641
25	1 Wheelchair, Geethu P C, Chettikalam, Erattakulam (P. O) Elappully2, Palakkad, Pin. 678622	678622	27/03/2024	1,30,000	Nil	Geethu P C	Chettikalam, Erattakulam (P. O) Elappully2, Palakkad, Pin. 678622

(₹ In Lakhs, unless otherwise mentioned)

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(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Name Number, if applicable	Registered address	
26	1 Wheelchair, Harinandan Ps, Puthiya Veetil (House), Aynichodu, Snehatheeram, Near, Thalikulam (Po) 680569 (Pin)	680569	27/03/2024	1,30,000	Nil	Harinandan Ps	Harinandan PS, Puthiya Veetil (House), Aynichodu, Snehatheeram, Near, Thalikulam (Po) 680569 (Pin)
27	1 Wheelchair, Leena Jose, Cherottuveli, Vengody (Po), Elappully, Palakkad (Dt), Pin-678622	678622	27/03/2024	1,30,000	Nil	Leena Jose	Leena Jose, Cherottuveli, Vengody (Po), Elappully, Palakkad (Dt), Pin-678622
28	1 Wheelchair, M X John, Kappummal (H), Valanchery (Po), Vaikathoor, Malappuram (Dist), 676552 (Pin)	676552	27/03/2024	1,30,000	Nil	M X John	M X John, Kappummal (H), Valanchery (Po), Vaikathoor, Malappuram (Dist), 676552 (Pin)
29	1 Wheelchair, Maneesha George, S/O Prakash, Vaniyathara, Elappully P.O, Pin: 678622	678622	27/03/2024	1,30,000	Nil	Maneesha George,	Maneesha George, S/O Prakash, Vaniyathara, Elappully P.O, Pin: 678622
30	1 Wheelchair, Mani K N, Plakkada (H), Kattikulam (P O), Thrissilery, 670646 (Pin), Wayanad	670646	27/03/2024	1,30,000	Nil	Mani K N	Mani K N, Plakkada (H), Kattikulam (P O), Thrissilery, 670646 (Pin), Wayanad
31	1 Wheelchair, Michael Austin, Malampallayil, Manisseri Po, Tricancode, Ottapalam, Pin: 679521	679521	27/03/2024	1,30,000	Nil	Michael Austin	Michael Austin, Malampallayil, Manisseri Po, Tricancode, Ottapalam, Pin: 679521
32	1 Wheelchair, Midhun Pk, Puthaenkattil (H), P.O Edavilangu, Kodungallur - 680671	680671	27/03/2024	1,30,000	Nil	Midhun pk	Puthaenkattil (H), P.O Edavilangu, Kodungallur - 680671
33	1 Wheelchair, Muhammed Sabith, Malokkaran House, Nattika PO 680566, Thrissur	680566	27/03/2024	1,30,000	Nil	Muhammed sabith	Muhammed Sabith, Malokkaran House, Nattika PO 680566, Thrissur
34	1 Wheelchair, Reena Raphael, Reena Raphael, Kanjirahamkuzhy, Mannoor, Keezhillam, Ernakulam - 683541	683541	27/03/2024	1,30,000	Nil	Reena Raphael	Reena Raphael, Kanjirahamkuzhy, Mannoor, Keezhillam, Ernakulam - 683541
35	1 Wheelchair, Revathy R V, Valiyaveettil (H), Perumbillissery West, Cherpu P.O 680561	680561	27/03/2024	1,30,000	Nil	Revathy R V	Revathy R V, Valiyaveettil (H), Perumbillissery West, Cherpu P.O 680561
36	1 Wheelchair, Rusafeeda K M, Konnasserithara, Vaikom, Thirumani Venkita Puram - 686606	686606	27/03/2024	1,30,000	Nil	Rusafeeda K M	Rusafeeda K M, Konnasserithara, Vaikom, Thirumani Venkita Puram - 686606
37	1 Wheelchair, Sabarinath. P, Poothara House, Pandavath Road., Maradu - 682304	682304	27/03/2024	1,30,000	Nil	Sabarinath. P	Sabarinath. P, Poothara House, Pandavath Road., Maradu - 682304
38	1 Wheelchair, Sajithamol, H No: 2/929, Kunnumpuram, Fortkochi - 682001	682001	27/03/2024	1,30,000	Nil	Sajithamol,	Sajithamol, H No: 2/929, Kunnumpuram, Fortkochi - 682001
39	1 Wheelchair, Sakkeer. K, H No: 3/383A, Eraveli, Fortkochi - 682002	682002	27/03/2024	1,30,000	Nil	Sakkeer. K	Sakkeer. K, H No: 3/383A, Eraveli, Fortkochi - 682002
40	1 Wheelchair, Sanjeev Dev MD, H No: 13/2030, KMP Nagar, Palluruthy - 682006	682006	27/03/2024	1,30,000	Nil	Sanjeev Dev MD	Sanjeev Dev MD, H No: 13/2030, Kmp Nagar, Palluruthy - 682006

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(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
41	1 Wheelchair, Sanjog E, Palasserry, Neelanji, Kaippini, Kurumbalangodu P.O Nilambur - 679334	679334	27/03/2024	1,30,000	Nil	Sanjog E	Palasserry, Neelanji, Kaippini, Kurumbalangodu P.O Nilambur - 679334
42	1 Wheelchair, Sayooj E, Veliyayyathu Puliyoovanji, South Edakulangara P O Thodiyoor Kollam – 690523	690523	27/03/2024	1,30,000	Nil	Sayooj E	Sayooj E ,Veliyayyathu Puliyoovanji, South Edakulangara P O Thodiyoor Kollam - 690523
43	1 Wheelchair, Shaju V D, Puliyaathuparambil (H), Cherumukku, Irinjalakuda P.O Irinjalakuda 680121	680121	27/03/2024	1,30,000	Nil	Shaju V D	Shaju V D ,Puliyaathuparambil (H), Cherumukku, Irinjalakuda P.O Irinjalakuda 680121
44	1 Wheelchair, Shamila P. S, Vadakkumpadan, Muringoor, Thrissur - 680309	680309	27/03/2024	1,30,000	Nil	Shamila P. S	Shamila P. S ,Vadakkumpadan, Muringoor, Thrissur - 680309
45	1 Wheelchair, Shyamjith S P, Thoppil House, CHC Road, Anandapuram - 680305	680305	27/03/2024	1,30,000	Nil	Shyamjith S P	Shyamjith S P ,Thoppil House, Chc Road, Anandapuram - 680305
46	1 Wheelchair, Sreehari Sunil, Thachillathuparambil House, Kannikkaru, Kaduppasseri - 680683	680683	27/03/2024	1,30,000	Nil	Sreehari Sunil	Sreehari Sunil, Thachillathuparambil House, Kannikkaru, Kaduppasseri - 680683
47	1 Wheelchair, Subeena K.S, Mulangil Veedu, Edathiruthy PO Irinjalakuda - 680567	680567	27/03/2024	1,30,000	Nil	Subeena K.S	Subeena K.S ,Mulangil Veedu, Edathiruthy Po Irinjalakuda - 680567
48	1 Wheelchair, Subeena. M.V, Thoppil House, CHC Road, Anandapuram - 680305	680305	27/03/2024	1,30,000	Nil	Subeena. M.V	Subeena. M.V ,Thoppil House, Chc Road, Anandapuram - 680305
49	1 Wheelchair, Sudheer Hassan, Malathuruthil, Madras Lane, Aluva P O Ernakulam - 683101	683101	27/03/2024	1,30,000	Nil	Sudheer Hassan	Malathuruthil, Madras Lane, Aluva P O Ernakulam - 683101
50	1 Wheelchair, Sudheesh, Valiyathara, Karuvelipady, Thoppumpady, Kochi - 682002	682002	27/03/2024	1,30,000	Nil	Sudheesh	Sudheesh ,Valiyathara, Karuvelipady, Thoppumpady, Kochi - 682002
51	1 Wheelchair, Sunil Kumar N, Kanjirathum Parambil House, Puthiya Road, Cochin Corporation, Thammanam - 682032	682032	27/03/2024	1,30,000	Nil	Sunil Kumar N	Sunil Kumar N ,Kanjirathum Parambil House, Puthiya Road, Cochin Corporation, Thammanam - 682032
52	1 Wheelchair, Thasnin, Mannayamkottu H, Arampilly P.O Mundur 680541	680541	27/03/2024	1,30,000	Nil	Thasnin	Thasnin ,Mannayamkottu H, Arampilly P.O Mundur 680541
53	1 Wheelchair, Vaishnavi A N, Chiroth House, Pulincherry Lane, Udalakkavu, Adattu P.O Thrissur - 680551	680551	27/03/2024	1,30,000	Nil	Vaishnavi A N	Vaishnavi A N ,Chiroth House, Pulincherry Lane, Udalakkavu, Adattu P.O Thrissur - 680551
54	1 Wheelchair, Sanjogh E, Puthapurayil H, P O Pallivayali, Mazhur, Kannur - 670142	670142	27/03/2024	1,30,000	Nil	Sanjogh E	Sanjogh E, Puthapurayil H, P O Pallivayali, Mazhur, Kannur - 670142
55	1 Ecg Machine, Thriprayar Chc, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala 680561	680561	06/10/2023	60,000	Nil	Thriprayar CHC,	Thriprayar Chc, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala 680561nil
56	1 Washing Machine, Thriprayar Chc, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala 680561	680561	29/09/2023	28,650	Nil	Thriprayar CHC,	Thriprayar Chc, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala 680561nil

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(1)	(2)	(3)	(4)	(5)	(6)	CSR Registration Name Number, if applicable	Registered address
57	1 Washing Machine, Anthikad Chc, Anthikad Centre, Anthikad, Kerala 680641	680641	29/09/2023	28,650	Nil	Anthikad CHC	Anthikad Chc, Anthikad Centre, Anthikad, Kerala 680641
58	1 Electric Buggy, Malabar Cancer Centre, Thalassery, P.O. Moozhikkara Kannur 670 103, Kerala	670 103	21/08/2023	277,200	CSR00010773	Malabar Cancer Centre.	Malabar Cancer Centre, Thalassery, P.O. Moozhikkara Kannur 670 103, Kerala
59	1 Water Treatment Plant, Institute Of Advanced Studies In Education, Palace Rd, Chembukkav, Thrissur, Kerala 680020	680020	02/09/2023	36,500	Nil	Institute of Advanced Studies in Education	Institute Of Advanced Studies In Education, Palace Rd, Chembukkav, Thrissur, Kerala 680020
60	1 Hearing Aid, Nandana TB, Thazhiserri House, Thamaroor PO. PIN:680505.	680505	02/09/2024	74,000	Nil	Nandana TB	Nandana Tb, Thazhiserri House, Thamaroor Po. Pin:680505.
61	1 House, Rasheed, S/O Abdul Khadar, Kalakkattu (H), Subhash Nagar, Chalakudy H O, Thrissur, 680307 (Final Payment For House Construction)	680307	19/06/2023	250,000	Nil	Rasheed	Rasheed, S/O Abdul Khadar, Kalakkattu (H), Subhash Nagar, Chalakudy H O, Thrissur, 680307
62	1 House, Rajitha M K, W/O Rajan M K, Manamkandath, Kololamba, Edappal, Malappuram, Kerala, 679576 (Final Payment For House Construction)	679576	05/09/2023	250,000	Nil	Rajitha M K,	Rajitha M K, W/O Rajan M K, Manamkandath, Kololamba, Edappal, Malappuram, Kerala, 679576
63	1 House, Priya K K, W/O Manikandan, Kallingal House Pampady, Thiruvilwamala, Pampady, Thalappilly Thrissur, Kerala 680588(Final Payment For House Construction)	680588	25/07/2023	250,000	Nil	Priya K K	Priya K K, W/O Manikandan, Kallingal House Pampady, Thiruvilwamala, Pampady, Thalappilly Thrissur, Kerala 680588
64	1 House, Leela, W/O Ayyappan, Bhagavathipparambil House, Kolalamba P O, Edappal, Malappuram, Kerala - 679576 (Final Payment For House Construction)	679576	05/09/2023	250,000	Nil	Leela,	Leela, W/O Ayyappan, Bhagavathipparambil House, Kolalamba P O, Edappal, Malappuram, Kerala - 679576
65	1 House, Girija, W/O Saji, Kadavath House, Vadanappally House, Thrithallur West, Thrissur, Chavakkad, Kerala, 680619 (Final Payment For House Construction)	680619	05/10/2023	250,000	Nil	Girija,	Girija, W/O Saji, Kadavath House, Vadanappally House, Thrithallur West, Thrissur, Chavakkad, Kerala, 680619
66	1 House, Santhakumari, W/O Ramakrishnan, Odakulam, Ezhakkad, Mudur -I, Elakkad, Palakkad, Kerala, 678631 (Final Payment For House Construction)	678631	18/10/2023	250,000	Nil	Santhakumari	Santhakumari, W/O Ramakrishnan, Odakulam, Ezhakkad, Mudur -I, Elakkad, Palakkad, Kerala, 678631
67	1 House, Rajakumari K K, D/O Kuttayi, Kavalengil House, Challikkal, Kongad, Kongad -I, Kongad, Palakkad, Kerala, 678631 (Final Payment For House Construction)	678631	18/10/2023	250,000	Nil	Rajakumari K K	Rajakumari K K, D/O Kuttayi, Kavalengil House, Challikkal, Kongad, Kongad -I, Kongad, Palakkad, Kerala, 678631

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(1)	(2)	(3)	(4)	(5)	(6)	CSR Registration Name Number, if applicable	Registered address
68	1 House, Jeena Jose, C/O Jose K M, Koithanath (H), Nattukal Post, Thachanattukara -I, Palakkad, Kerala 678583(First Payment For House Construction)	678583	13/05/2023	125,000	Nil	Jeena Jose,	Jeena Jose, C/O Jose K M, Koithanath (H), Nattukal Post, Thachanattukara -I, Palakkad, Kerala 678583
69	1 House, Ms. Valsala Sasidaran, W/O Late Sasidaran, Chennangat House P O Nattika 680566(Final Payment For House Construction)	680566	28/03/2024	650,000	Nil	Ms. Valsala	Ms. Valsala Sasidaran, W/O Late Sasidaran, Chennangat House P O Nattika 680566 PH-8089355507
70	1 House, K A Joy, S/O Atlesh, Kochuthottathil (H), Kalachal Road, Thuthiyoor, Kakkanad, VTC Cochin Special Economic Zone, Ernakulam, 682037(First Payment For House Construction)	682037	28/03/2024	125,000	Nil	K A Joy,	K A Joy, S/O Atlesh, Kochuthottathil (H), Kalachal Road, Thuthiyoor, Kakkanad, VTC Cochin Special Economic Zone, Ernakulam, 682037
71	1 House, Mariam Ouseph, Kolanpakkara, Angadikara, Kothamangalam, EKM,686691(First Payment For House Construction)	686691	28/03/2024	78,056	Nil	Mariam Ouseph	Mariam Ouseph, Kolanpakkara, Angadikara, Kothamangalam, Ekm,686691
72	1 House, C K Suma, W/O Suryan T S, Thriprayatt (H), Karayavattam, Valapad, Chavakkad, Thrissur 680567(Final Payment For House Construction)	680567	09/12/2023	250,000	Nil	C K Suma	C K Suma, W/O Suryan T S, Thriprayatt (H), Karayavattam, Valapad, Chavakkad, Thrissur 680567
73	1 House, Ms. Suneera K K, D/O Kunjumoidheen, Kallungal House Mala P O Kottamury 680732(First Payment For House Construction)	680732	09/12/2023	100,000	Nil	Ms. Suneera K K	Ms. Suneera K K, D/O Kunjumoidheen, Kallungal House Mala P O Kottamury 680732
74	1 House, Geetha Babu, W/O Babu K S, Kurinjettedath (H), Kuruvilassery P O, Valiyaparambu, Thrissur, Kerala 680732(Final Payment For House Construction)	680732	02/02/2024	250,000	Nil	Geetha Babu,	Geetha Babu, W/O Babu K S, Kurinjettedath (H), Kuruvilassery P O, Valiyaparambu, Thrissur, Kerala 680732
75	1 House, Pushpavathy T K, W/O Chandran, Chemban, Chettuva, Kundaliyur, Engandiyur, Thrissur, 680616(Final Payment For House Construction)	680616	01/03/2024	250,000	Nil	Pushpavathy T K	Pushpavathy T K, W/O Chandran, Chemban, Chettuva, Kundaliyur, Engandiyur, Thrissur, 680616
76	1 House, Kochuthressia, W/O Ouseph, Padathara (H), Near Kalabhavan, Mariyapuram, P O Anchery, Kuriyachira S O, Thrissur 680006(Final Payment For House Construction)	680006	18/12/2023	250,000	Nil	Kochuthressia	Kochuthressia, W/O Ouseph, Padathara (H), Near Kalabhavan, Mariyapuram, P O Anchery, Kuriyachira S O, Thrissur 680006
77	1 House, Lubda K K, C/O Moideen, Korakkuzhiyil (H), Chekanoor Road, Thaikad, Vattamkulam, Malappuram, 679578(Final Payment For House Construction)	679578	23/03/2024	250,000	Nil	Lubda K K,	Lubda K K, C/O Moideen, Korakkuzhiyil (H), Chekanoor Road, Thaikad, Vattamkulam, Malappuram, 679578

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Name Number, if applicable	Registered address	
78	1 House, Unnikrishnan Nair Govind Vilasam, Melila P. O, Pin - 691508 Kottarakara, Kollam (2 nd And 3 rd Payment For House Construction)	691508	21/12/2023	350,000	Nil	Unnikrishnan nair	Unnikrishnan Nair Govind Vilasam, Melila P. O, Pin - 691508 Kottarakara, Kollam
79	1 House, Chinnamma, W/O Kurian, Pezhackattil, Perumballoor, Peringazha, Marady (Part), Ernakulam, 686673 (Final Payment For House Construction)	686673	28/03/2024	250,000	Nil	Chinnamma	Chinnamma, W/O Kurian, Pezhackattil, Perumballoor, Peringazha, Marady (Part), Ernakulam, 686673
80	1 House, Jinu Vargese, S/O Varkey, Athickal (H), Perumballoor, Peringuzha, Marady (Part), Ernakulam, Kerala -686673(Final Payment For House Construction)	686673	28/03/2024	200,000	Nil	Jinu Vargese	Jinu Vargese, S/O Varkey, Athickal (H), Perumballoor, Peringuzha, Marady (Part), Ernakulam, Kerala -686673
81	1 House, Ammini Sasikumar, W/O Sasikumar M P, Mangattukunnel (H), Pulinthanam P O, Enanalloor Village, Pothanikkad, Ernakulam, 686671(Final Payment For House Construction)	686671	28/03/2024	200,000	Nil	Ammini Sasikumar	Ammini Sasikumar, W/O Sasikumar M P, Mangattukunnel (H), Pulinthanam P O, Enanalloor Village, Pothanikkad, Ernakulam, 686671
82	1 House, Jayasree, D/O Narayanan, Kakkuzhi House, Amarambalam P O, Thottekad, Pookkottumpadam, Malappuram, Kerala, 679332 (Final Payment For House Construction)	679332	28/03/2024	250,000	Nil	Jayasree	Jayasree, D/O Narayanan, Kakkuzhi House, Amarambalam P O, Thottekad, Pookkottumpadam, Malappuram, Kerala, 679332
83	1 House, Mr. Jayanbose, Naduparambil House, Nattika Thrissur 680567. Ward 9 Nattika Grama Panchayat. (Final Payment For House Construction)	680567	23/03/2024	100,000	Nil	Mr. Jayanbose	Mr. Jayanbose, Naduparambil House, Nattika Thrissur 680567. Ward 9 Nattika Grama Panchayat
*84	Sayujyam Housing Project, M N Govindan Nair Laksham Veet Colony, Valapad	680567	01/06/2023	107,61,600	Nil	Various individual Beneficiaries	Sayujyam Housing Project, M N Govindan Nair Laksham Veed Colony, Tirupazanchery Valapad 680567
85	1 House, Suresh Babu, Veetikka Parambil House , Mundathode, Chathangottupuram, Porur, Chathangottupuram, Malappuram, Kerala, 679328(Final Payment For House Construction)	679328	31/03/2024	200,000	Nil	Suresh Babu,	Suresh Babu, Veetikka Parambil House, Mundathode, Chathangottupuram, Porur, Chathangottupuram, Malappuram, Kerala, 679328
86	1 House, Jojo M J, S/O Jacob, Maliyekkal (H), Valiyaparambu, Kuruvilassery, Thrissur, Kerala, 680732(Final Payment For House Construction)	680732	28/03/2024	250,000	Nil	Jojo M J	Jojo M J, S/O Jacob, Maliyekkal (H), Valiyaparambu, Kuruvilassery, Thrissur, Kerala, 680732

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)	CSR Registration Name Number, if applicable	Registered address
87	1 House,Saragan, Mangattu House Srambi Paduvapuram Karukutty 683576(Final Payment For House Construction)	683576	03/05/2023	100,000	Nil	Saragan	Saragan, Mangattu House Srambi Paduvapuram Karukutty 683576
88	1 House, Vinston C U, Chittinappilly Malayankunnu Karukutty Ekm 683576(Final Payment For House Construction)	683576	03/05/2023	100,000	Nil	Vinston C U	Vinston C U, Chittinappilly Malayankunnu Karukutty Ekm 683576
89	1 House ,Bindu Shaiju, Vettiyattil Veedu, Parppakkadavu, Ammadam P O, Paralam, Thrissur , Kerala- 680563(Final Payment For House Construction)	680563	12/05/2023	125,000	Nil	Bindu Shaiju	Bindu Shaiju, Vettiyattil Veedu, Parppakkadavu, Ammadam P O, Paralam, Thrissur , Kerala- 680563
90	1 House ,Lakshmi C, W/O Unnikrishnan, Palakkaparambu, Kaniyarkode P O, Thiruvilwamala, Kaniyarkode, Thrissur 680594(Final Payment For House Construction)	680594	11/07/2023	250,000	Nil	Lakshmi C	Lakshmi C, W/O Unnikrishnan, Palakkaparambu, Kaniyarkode P O, Thiruvilwamala, Kaniyarkode, Thrissur 680594
91	1 House ,Thankamma K C, Chozhiyamkkode Colony, Malesamangalam P O, VTC: Thiruvilwamala, District : Thrissur, State: Kerala, 680588(Final Payment For House Construction)	680588	11/07/2023	250,000	Nil	Thankamma K C	Thankamma K C, Chozhiyamkkode Colony, Malesamangalam P O, Vtc: Thiruvilwamala, District : Thrissur, State: Kerala, 680588
92	1 House ,Preetha K R, W/O Ramachandran, Parakunnath House, Attur P O, Mullurkara, Talappilly, Thrissur, Kerala – 680583 (Final Payment For House Construction)	680583	12/05/2023	125,000	Nil	Preetha K R	Preetha K R, W/O Ramachandran, Parakunnath House, Attur P O, Mullurkara, Talappilly, Thrissur, Kerala - 680583
93	1 House ,Kamalakshi, W/O Gopalan, Chambakara House Kongad, Palakad. Pin:678631(Final Payment For House Construction)	678631	01/11/2023	250,000	Nil	Kamalakshi	Kamalakshi, W/O Gopalan, Chambakara House Kongad, Palakad. Pin:678631
94	1 House ,Safiya Asharaf, W/O Asharaf K K, Kanikathu House, Mathilmoola, Mathilakam P O, Pappinivattom, Thrissur, Kerala, 680685(Final Payment For House Construction)	680685	15/05/2023	250,000	Nil	Safiya Asharaf	Safiya Asharaf, W/O Asharaf K K, Kanikathu House, Mathilmoola, Mathilakam P O, Pappinivattom, Thrissur, Kerala, 680685
95	1 House ,Shaiju C D, Chakkalakkal House Kuttikadu Po Pariyaram (Final Payment For House Construction)	680724.	15/05/2023	100,000	Nil	Shaiju C D	Shaiju C D, Chakkalakkal House Kuttikadu Po Pariyaram
96	1 House ,Sujatha, C/O Shanmughan, Adiyoli House, Karamuck, Thrissur, Kerala, 680613(Final Payment For House Construction)	680613	15/05/2023	250,000	Nil	Sujatha	Sujatha, C/O Shanmughan, Adiyoli House, Karamuck, Thrissur, Kerala, 680613

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
97	1 House ,Rajitha, D/O Thanga, Thalekara House, Malappuram 679676(Final Payment For House Construction)	679676	31/03/2024	250,000	Nil	Rajitha	Rajitha, D/O Thanga, Thalekara House, Malappuram 679676
98	1 House ,Thanka, W/O Mohanda, Therambath (H), Ayyamkodu, Kallur, Muttithadi, Thrissur, 680317(Final Payment For House Construction)	680317	03/11/2023	250,000	Nil	Thanka	Thanka, W/O Mohanda, Therambath (H), Ayyamkodu, Kallur, Muttithadi, Thrissur, 680317
99	1 House, Sindhu, W/O Venugopalan, Mangaparambil House, Valapad, Nattika, Thriprayar, Kerala 680567(Final Payment For House Construction)	680567	11/07/2023	250,000	Nil	Sindhu	Sindhu, W/O Venugopalan, Mangaparambil House, Valapad, Nattika, Thriprayar, Kerala 680567
100	1 House ,Krishnaveni, Choorekatt House, Ammadam, Paralam, Thrissur, 680563 (Final Payment For House Construction)	680563	31/03/2024	99,500	Nil	Krishnaveni	Krishnaveni, Choorekatt House, Ammadam, Paralam, Thrissur, 680563 +918086565207
101	1 House ,Kanakamani, C/O Rangammal, Kuthampulli Po, 680594(Final Payment For House Construction)	680594	05/09/2023	250,000	Nil	Kanakamani,	Kanakamani, C/O Rangammal, Kuthampulli Po, 680594
102	1 House ,Tharasingh M S, S/O Subrahmanian, Muriyapurakal (H), Edamuttam, Valapad, Kalimbram, Thrissur - 680568(Final Payment For House Construction)	680568	01/12/2023	250,000	Nil	Tharasingh M S,	Tharasingh M S, S/O Subrahmanian, Muriyapurakal (H), Edamuttam, Valapad, Kalimbram, Thrissur - 680568
103	1 House ,Balan N K, S/O Kuttan N K, Nambetti (H), Valapad Beach, Valapad, Thrissur 680567(Final Payment For House Construction)	680567	01/12/2023	250,000	Nil	balan N K	Balan N K, S/O Kuttan N K, Nambetti (H), Valapad Beach, Valapad, Thrissur 680567
104	1 House ,Vimala, Konokkattil(H), Kizhuthani, Thanissery, Karalam(Part), Thanissery, Thrissur, Kerala 680701(Final Payment For House Construction)	680701	14/06/2023	150,000	Nil	Vimala	Vimala, Konokkattil(H), Kizhuthani, Thanissery, Karalam(Part), Thanissery, Thrissur, Kerala 680701
105	1 House ,Raji V S, D/O Sasi, Vadassery House, Podiyan Bazar, Edavilangu, Thrissur, Kerala, 680671(Final Payment For House Construction)	680671	14/07/2023	250,000	Nil	Raji V S	Raji V S, D/O Sasi, Vadassery House, Podiyan Bazar, Edavilangu, Thrissur, Kerala, 680671
106	1 House , Bindhu, Perampallil House Mannarmoola Avittathoor Po Kaduppassery Thrissur 680683	680683	19/07/2023	100,000	Nil	Bindhu	Bindhu, Perampallil House Mannarmoola Avittathoor Po Kaduppassery Thrissur
107	1 House, Bindu V P, D/O Nadi, Valiyattiparambu, Manjeri-Kla, Malappuram, Kerala, 676121(Final Payment For House Construction)	676121	19/09/2023	50,000	Nil	Bindu V P,	Bindu V P, D/O Nadi, Valiyattiparambu, Manjeri-Kla, Malappuram, Kerala, 676121

(₹ In Lakhs, unless otherwise mentioned)

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
108	1 House, Satheeshan, S/O Gopalakrishnan Thorankot House, Chalode, Edayannur P O Keezhallur, Elampara, Kannur 670595 (3 rd Payment For House Construction)	670595	31/10/2023	431,000	Nil	Satheeshan	Satheeshan, S/O Gopalakrishnan Thorankot House, Chalode, Edayannur P O Keezhallur, Elampara, Kannur 670595
109	Three-Wheeler Scooter, Satheesan C S, Chennamkulanga House, Pazhuvil, Thrissur, 680564	680564	10/06/2023	48,500	Nil	Satheesan C S	Satheesan C S, Chennamkulanga House, Pazhuvil, Thrissur, 680564
110	Various Medical Equipments Address:, Medical College Health Unit, Pangappara PO, Trivandurm, Pin:695581	695581	28/03/2024	150,000	Nil	medical college health unit	Medical College Health Unit, Pangappara PO, Trivandurm, Pin:695581
111	Three Wheeler Scooter, Sasi, S/O Kunjilaman, Adooparambil (H), Chandanakunnu, Community Hall, Chattikulam P O, Kodassery, Thrissur, Kerala - 680721	680721	10/07/2023	48,500	Nil	Sasi	Sasi, S/O Kunjilaman, Adooparambil (H), Chandanakunnu, Community Hall, Chattikulam P O, Kodassery, Thrissur, Kerala - 680721
112	1-Three Wheeler Scooter, Rahul K R, S/O Ramakrishnan K K, Kolloly(H), Palappilly, Nalukettu, Kizhakkummuri, Thrissur 680308	680308	13/05/2023	48,000	Nil	Rahul K R	Rahul K R, S/O Ramakrishnan K K, Kolloly(H), Palappilly, Nalukettu, Kizhakkummuri, Thrissur 680308
113	1-Three Wheeler Scooter, Deepu, S/O Mohandas, Valiyaparambil (H), Thiruvannikkavu Road, Thrissur, Kerala - 680655	680655	13/05/2023	48,000	nil	Deepu,	Deepu, S/O Mohandas, Valiyaparambil (H), Thiruvannikkavu Road, Thrissur, Kerala - 680655
*114	Infrastructure For Public Toilet Development: Address: District Fund Foundation 322g, 1b Royal Silver Tower Lachitnagar, Ulubari, Guwahati, As14, As, 781007	781007	29/03/2024	10,00,000	CSR00039719	District Fund Foundation 322G	District Fund Foundation 322g, 1b Royal Silver Tower Lachitnagar, Ulubari, Guwahati, As14, As, 781007
115	1-Incinerator, Thiruvilwamala Grama Panchayat Office, Temple Rd, Thiruvilwamala, Kerala 680588	680588	19/05/2023	23,157	Nil	Thiruvilwamala Grama Panchayat Office	Thiruvilwamala Grama Panchayat Office, Temple Rd, Thiruvilwamala, Kerala 680588

*Note: Sl. No. 84 & 114 are ongoing projects completed during the current financial year (FY 2023-24). Since the asset creation was completed only in the current financial year, the amount given here includes the amount spent in previous years against these projects.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135 – The amount required to be utilized for the financial year 2023-24 has been utilized in full. Further, the amount remains unspent is pertaining to the ongoing project of the financial year 2021-22 and the same has been duly transferred to CSR unspent account as per the provisions of the statute. The amount so transferred will be spent within a period of 3 years from the date of transfer.

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

Ms. Pushya Sitaraman

Chairperson of CSR Committee

DIN: 06537196

Date : May 22, 2024

Place : Chennai

Mr. Raveendra Babu

Managing Director

DIN: 00043622

Date : May 24, 2024

Place : Valapad

Annexure-E
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended 31st March, 2024

To,
 The Members,
 Asirvad Micro Finance Limited
 9th Floor, No. 9, Club House Road,
 Anna Salai, Chennai – 600 002.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asirvad Micro Finance Limited** (CIN: U65923TN2007PLC064550) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2024 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, 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 the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 and the Rules made there under.
- (ii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (iv) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (v) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (limited to obligations of the company)
- (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations 16 to 27 on comply or explain basis and Regulation 62).
- (vii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- (viii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (ix) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (limited to obligations of the company)
- (x) As regards the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company being only debt listed and having issued ESOP in terms of Section 62(1)(b) read with Rule 12 of (Share Capital and Debenture) Rules, 2024, and hence the said Regulations shall not be applicable.
- (xi) The Reserve Bank of India Act, 1934
- (xii) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016
- (xiii) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs – RBI Guidelines.
- (xiv) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.
- (xv) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- (xvi) Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) directions, 2023

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

- (i) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement for debt securities entered into with BSE Limited in respect of privately placed non-convertible debentures issued by the Company.

Based on the information and explanation provided, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes made to the composition of the Board of Directors were duly carried out during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings and consent was received from all directors in case the Board Meetings were called at shorter notice. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Board Meeting and for meaningful participation at the Board Meeting.

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting members' views requiring to be captured in the minutes.

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

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

1. The Company has raised an amount of ₹ 275 Crores by issue of Non- Convertible Debentures on private placement basis.
2. The Board of Directors at their meeting held on 14th June, 2023 approved rights issue of 41,20,879 equity shares of ₹10/- each at a premium of ₹354/- per share amounting to ₹149,99,99,956/- which was allotted at the Board Meeting held on 30th June, 2023.
3. At the extra-ordinary general meeting held on 1st April 2023, the Company has passed special resolutions regarding:
 - a. Increase of its borrowing powers from ₹12,000 crores to 16,000 Crores
 - b. To carry on material related party transaction with Manappuram Finance Limited (Holding Company) up to a sum of ₹1000 Crore for the financial year 2023-24.
4. At the extra-ordinary general meeting held on 18th August 2023, the Company has passed special resolutions regarding:

- a. Sub-division of nominal value of one preference share of ₹100/- each to 10 preference shares of ₹ 10/- each.
 - b. Re-classification of Authorised Preference Share Capital of ₹10 Crores into Equity Share capital of ₹ 10 Crores.
 - c. Increase in the authorised equity share capital from ₹100 crores to ₹300 crore comprising of 30,00,00,000 equity shares of ₹10/- each.
 - d. Capitalisation of reserves as per Section 63 of the Companies Act,2013 and issue of 13,35,22,248 bonus shares of ₹10 each in proportion of 2 bonus shares for every one equity share held by the members of the Company.
5. At the extra-ordinary general meeting held on 03rd October 2023, the Company has passed special resolution relating to:
 - a. Making an initial public offering of equity shares in terms of Section 62(1)(c) of the Companies Act, 2013 by way fresh issue of equity shares of ₹10/- each aggregating ₹ 1500 Crores including a sub limit of ₹ 300 Crores to be issued on private placement basis in terms of Section 42 of the Companies Act,2013.
 - b. Substituting the existing Articles of Association with a new set of Articles of Association.
 - c. De-classifying Mr. S.V.Raja Vaidyanathan from the category of Promoter.
 - d. Amending the Asirvad Micro Finance Employee Stock Option Scheme, 2019.
 - e. Increasing the investment limit for Non Resident Indian (NRI) and Overseas Citizen of India (OCI) from 10% to 24% of the paid-up Equity share capital.
 6. The Company has filed Draft Red Herring Prospectus (DRHP) with SEBI for Initial Public Offer amounting to ₹1500 Crore.

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367F000433575

PR No.2635/2022

Date: 22nd May, 2024

Place: Coimbatore

KSR/CBE/A-239/133/2024-25

To
The Members,
Asirvad Micro Finance Limited
9th Floor, No. 9, Club House Road,
Anna Salai, Chennai – 600 002.

Our Secretarial Audit Report of even date **Asirvad Micro Finance Limited** (CIN:U65923TN2007PLC064550) (hereinafter called “the Company”) is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the Company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial year ended on 31st March, 2024.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure

that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further compliance of provisions of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is limited to compliance of corporate governance provisions and verification of filing of forms and returns thereunder.
7. 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 **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367F000433575

PR No.2635/2022

Date: 22nd May, 2024

Place: Coimbatore

Annexure-F

ASIRVAD MICRO FINANCE LIMITED NOMINATION & REMUNERATION POLICY

Introduction

The Board of Directors of Asirvad Micro Finance Limited (“the Company”) has constituted Nomination and Remuneration Committee (“the Committee”) pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“LODR”), which is a combination of Non- Executive Directors and Independent Directors. The Committee has formulated and recommended to the Board a policy called “**Nomination & Remuneration Policy**” in adherence to Companies Act, 2013, the provisions of LODR and the regulatory framework for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI).

This policy aims to ensure the payment of equitable, competitive remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and employees of the Company which is based on individual performance, Company’s benchmark and Industry practices. It envisions that the synergy of versatile individuals with diversified skillsets at the board level will contribute to bringing the Company into great heights. Therefore, it is important to have a competent and highly professional team of board members who leads us.

Key Principles of the Remuneration Policy

The following are the set of principles that act as guiding factors:

- ◆ The remuneration of KMPs and Senior Management shall be generally aligned with the policy of the Holding Company;
- ◆ Minimize complexity and ensure transparency;
- ◆ Promote a culture of meritocracy and is linked to key performance and business drivers;
- ◆ Reflective of market competitiveness, so as to attract the best talent.

Objective and purpose of the Remuneration Policy

The following are the key objectives of the policy:

- ◆ To guide the Board in relation to the appointment and removal of Directors, KMP and Senior Management;
- ◆ To evaluate the performance of the members of the Board and provide the necessary report to the Board for further evaluation;
- ◆ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- ◆ To ‘Pay for Performance’ i.e. the remuneration shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company;

- ◆ To ensure compliance and maintain high standards of governance.

Appointment and Removal of Director, KMP and Senior Management Personnel

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment;
- b) A person should possess the adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position;
- c) The Company shall not appoint or continue the employment of any person as, Managing Director, Whole Time Director or Manager who has attained the age of seventy years. However, in case of Managing Director, Whole Time Director or Manager, who has attained the age of seventy years his/ her appointment may be made by passing a special resolution;
- d) The Committee shall undertake a process of Due Diligence based on the criteria of qualification, technical expertise, track record, integrity etc and shall ensure that proposed or existing Director meets the fit and proper criteria as prescribed by the Reserve Bank of India.
- e) The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same and will be subject to execution of covenants as prescribed in the relevant statute.
- f) Assessment of independence & Fit and proper criteria

While considering the appointment of an Independent Director, the Nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) 2015. The board shall on a continuous basis ensure that the Independent Directors continue to maintain their independence during their tenure on the board.

To achieve the above objectives, the board may obtain proper declarations from the appointee/

Directors at the time of appointment and at such intervals as the board may deem fit.

An independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. Further, the Board shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time. There shall be no restriction to directorship on the Boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

- g) In case of appointment of executive Directors, non-executive Directors or Independent Directors, the Nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same.
- h) The Company has extensive borrowing relationships with almost all the leading Banks in India. Commonality of Directorships with any Bank and/or any of its subsidiary/s, is likely to impede timely flow of working funds from such Bank/s to the Company due to regulatory directions in respect of credit sanction by a Bank leading to changes in Bank's internal approval chain and delays. As the seamless flow of working funds is important, the company shall refrain from considering any candidates for on-boarding as a Director who is already serving on any Bank or any of their subsidiary Company/s Board. In the event of any candidate joining after leaving a Bank or subsidiary board with whom the company has borrowing relationships such induction shall be effective after a cooling period of 3 Months from the date of exit from the Bank Board. In case any serving member is desirous of joining any Bank or any subsidiary of such Banks Board such member may exercise choice between the Company and the Bank with due notice to the Company.

Institutionalised Process and procedure for sourcing (including internal candidates) screening, selection and appointment of KMPs.

Any appointment to the role of Key Managerial Personnel, excluding the position of Managing Director shall be proposed to the Nomination and Remuneration Committee of the Board after an initial screening and selection by a panel constituting the Managing Director and Head of HR.

Institutionalised Process for sourcing, screening, selection and appointment for whole time Directors (MDs and Eds (if applicable)).

Any appointment to the role of Managing Director/ Executive Director (if applicable) shall be proposed to the Nomination and Remuneration Committee of the Board after an initial screening and selection by a panel constituting of 3 or more Directors as may be decided by the Board, which shall mandatorily include the Chairman of Nomination and Remuneration Committee and Chairman of the Board.

The Nomination Committee shall periodically review the mix of Executive/Non -Executive, Independent/ Non-Independent Directors vis-à-vis the extant regulations. The Committee shall also review the skillsets required for a proposed candidate and the process for sourcing, selection and appointment of Independent / Non -Executive Directors, once a vacancy is identified including impending vacancies based on future retirements.

2. Tenure

a) **Managing Director / Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time at the discretion of the Board. No re-appointment shall be made earlier than one year before the expiry of the term.

b) **Independent Director:**

An Independent Director shall hold office for a term up to maximum five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of maximum five year on the passing of a special resolution by the Company. Independent Directors shall not retire by rotation.

The Chairman/ Managing Director of the Company shall issue and sign the appointment letter of Independent Directors.

3. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.

4. Succession planning for appointment to board and senior management positions.

The board may identify suitable persons to be appointed to the board positions for filling up vacancies.

The vacancies caused by the exit of an Independent Director may be filled by the appointment of an Independent Director. However, if the vacancy does not affect the strength of minimum required Independent Directors, the board may or may not fill the vacancy as it may deem fit.

Suitable candidates may be identified by the Directors from reputable references or from data banks maintained by industry associations, professional bodies or nongovernmental organizations or by inviting applications through any media.

Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the Nomination committee from time to time. In the event of no suitable candidate being found fit for promotion, a suitable person from any of the group companies, or from outside may be chosen.

Company may identify critical positions and shall devise a system of proper mentoring to identify officers of the Company to take up the senior positions wherever a vacancy is caused to ensure the business continuity in the best interest of the Company.

5. Remuneration to the Directors, KMP and Senior Management Personnel

i) Executive Directors and Non- Executive Directors/ Independent Directors

- ◆ The remuneration and commission of Executive and Non- Executive Directors/ Independent Directors shall be recommended by the Committee to the Board of Directors and shall be subject to the provisions of Companies Act, 2013.
- ◆ The remuneration for Executive Directors shall be arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution, etc. The elements of the remuneration and limits are applicable as defined in the Companies Act, 2013 and rules/ schedules made thereunder.
- ◆ The remuneration of Executive Directors shall be divided into two components i.e. fixed and variable. The fixed component comprises salary, allowances, perquisites, provident fund, gratuity etc. The variable component comprises annual performance pay which may be a fixed amount as decided by the Board. In addition to this, the Executive Director may also be offered and allotted shares under the Employee Stock Option Scheme (ESOS) of the Company.
- ◆ At the beginning of each financial year NRC with the approval of the Board shall prescribe KPIs for MD and Executive Directors.

- ◆ Any variable pay shall be in compliance with RBI guidelines contained in circular dated April 29, 2022
- ◆ The Non-Executive and Independent Directors of the Company would be paid sitting fees within the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings. The sitting fee shall be decided by the Board from time to time on the recommendation of the Committee.
- ◆ In case of profits/inadequate profits/ losses, the Directors may also be paid remuneration by way of Commission as defined in the Companies Act, 2013 read with Schedule V of the said Act. The Committee shall recommend to the Board for the payment of Commission to Directors.
- ◆ The Board of Directors shall decide the actual amount to be paid to each Non-Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and contribution made by them.
- ◆ Independent Directors shall not be entitled to stock options.

ii) KMP and Senior Management

Compensation Policy for KMP and Senior Management is annexed as Annexure A.

Membership & Quorum:

The Committee shall consist of :

- (a) the committee shall comprise of at least three directors.
- (b) all directors of the committee shall be non-executive directors; and
- (c) at least two-thirds of the directors shall be independent directors

Chairperson:

The Chairperson of the nomination and remuneration committee shall be an independent director.

The chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee. Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required but at least once in a year.

POLICY ON DIVERSITY OF BOARD OF DIRECTORS

This policy on diversity is largely framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organization and business. The basic essence is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business. A truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will amongst others–

- a. Enhance the quality of decisions making and ensure better business performance.
- b. Encourage diversity of perspectives thereby fuel creativity and innovation.
- c. Complement and expand the skills, knowledge and experience of the Board as a whole.
- d. Provide better Corporate Governance.

The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors. The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination and Remuneration Committee (“the Committee”) based on the nature of business of the Company from time to time. The diversity of the total board may include the following;

Expertise in;

- i. Banking, Finance, Accountancy, Taxation
- ii. Governance, Regulatory background, Law and practice
- iii. Management, Administration
- iv. Engineering, Human resource, Subject of social relevance
- v. IT, Marketing

Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC.

All Board appointments will be done on merit, in the context of skills as required for the areas of our business operations, management and also expertise in the fields of regulatory, legal, research, human capital management, strategic planning, marketing and general administration.

The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

Any new member proposed to be inducted in the Board, preferably to be with Corporate Board Experience of at least 3 years in any related customer facing and regulated company.

The Nomination Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions with the prescribed requirements in consultation with the Board.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person’s ability to perform as a Board member.

Accordingly, the Committee shall:

1. assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
2. make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
3. periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

Annexure – A

Asirvad Micro Finance Limited Compensation policy

(Applicable for Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) and Other Employees)

Effective from: This Policy is effective for the financial year 2024 and onwards.

1. Objective of the policy

The policy seeks to achieve the following objectives.

- a) To establish guidelines for remunerating employees fairly and in keeping with Statutes
- b) To determine a level of compensation based on the Company's business outlook, financial position, growth and trends and practices on remuneration prevailing as the best practices in competitive compensation based on fairness and equity
- c) To align reward and recognition mechanism directly to the effort, commitment, performance, dedication, and achievement relating to the Company's operations
- d) To attract, retain, motivate, and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e) To 'Pay for Performance' i.e., the compensation shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the goals of the company.
- f) To ensure compliances and maintain high standards to governance. In the context of the aforesaid, the following policy has been formulated

2. Scope of the policy

This Policy is applicable to all Key Managerial Personnel (KMPs) including While time Directors and other members of the Key Managerial Personnel, Senior Management personnel (SMPs) of the Company (hereinafter together referred to as "Covered Employees").

3. Definition(s)

3.1. "Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013("the Act") means:

- (i) the Chief Executive Officer or the Managing Director.
- (ii) the Company Secretary.
- (iii) the Whole-time Director.
- (iv) the Chief Financial Officer.

(v) such other officer, not more than one level below the CEO who is in whole time employment, and designated as Key Managerial Personnel by the Board: and

(vi) such other officer as may be prescribed.

- 3.2. "Senior Management" shall mean officers/personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- 3.3. Nomination and Remuneration Committee ("NRC") shall mean a committee of the Board having the constitution, powers, functions, and duties as laid down in section 178 of the Companies Act, 2013, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Guidelines and other applicable legal provisions.
- 3.4. A "malus" arrangement shall mean where the Company prevents the vesting of all or part of the amount of a deferred remuneration /Benefit.
- 3.5. A "clawback" arrangement shall mean a contractual agreement between the Covered Employees and the Company in which the Covered employee agrees to return previously paid or vested remuneration to the Company under certain circumstances or empowers the Company to recover previously paid or vested remuneration by the company under certain circumstances.
- 3.6. "Retention period" shall mean a period of time after the vesting of instruments which have been awarded as deferred compensation during which they cannot be sold or accessed.

4. Underlying Principles for the policy

The policy is prepared based on certain specific principles in the context of our operations as detailed below.

- To align the compensation with the long-term interests of the Company and its shareholders/ stake holders.
- To be transparent as far as possible simultaneously ensuring less complexity.
- Align the parameters to annual business performance of the company.

- To ensure meritocracy and is linked to key performance and business drivers.
- Reflective of market competitiveness so as to attract the best talent.

5. Compensation Structure

The broad structure of compensation payable to Covered Employees shall be as under:

5.1 Fixed Pay

Fixed pay has components like basic salary and other allowances as per the grade and position fixed by the Company based on the scale and position of the employee in the company in accordance with the HR policy in force and may include benefits such as company provided car, medical & dental benefit, loans, insurance benefits, vehicle fuel and maintenance expenses, club membership, mobile instruments, etc., as per the Policy of the Company. Retirals such as PF, Gratuity & contribution towards pension fund Joining / sign-on bonus for new KMP / Senior management hiring may not be part of fixed pay.

5.2 Variable Pay

Cash component:

- Annual component - based on individual performance against Key Performance Indicators (KPIs) agreed between the employee concerned and the Company which shall be made operative subject to overall company's performance being in line with budgetary objectives. While the KPIs will be set by the NRC in respect of Whole time Directors, KPIs in respect of KMPs and SMPs who are subject to variable pay shall be fixed by Managing Director in consultation with NRC. Such amounts are paid in cash at the end of the review period to the concerned employee and will be based on the assessment with the approval of the NRC/ Board
- Joining / sign-on bonus for new KMP / Relocation incentive/severance pay etc. Such payments are paid in cash or reimbursement wherever applicable as per the rules of the company applicable.
- Deferred annual compensation: Certain portion of the performance based variable pay, (Annual component) as decided by NRC/Board, may be deferred. Such deferral may be made applicable to cash and non-cash components of variable pay. The quantum and the deferral period of such deferral arrangement may be decided by the NRC/Board. Conditions applicable for the payment of such deferrals including in the event of severing relationship with the company, any unforeseen events associated with the beneficiary of the payment may be decided by the NRC/ Board. The vesting of deferred cash component of variable pay would continue as per schedule decided by the NRC/Board at the time of deferral

even after separation of the employee from the services of the company except in the event of this separation being on account of Malus or Claw back provisions being applicable. In the event of death or permanent disability of the individual unvested portions of variable pay will vest immediately except in situations where provisions of Malus / Clawback as applicable will apply.

- Employee Stock Options (ESOP) granted under approved ESOP schemes of the Company with attendant conditions and vesting schedule post the grant.
- Restricted stock unit (RSU): Involving awarding of shares, as a form of employee compensation with attendant conditions to be met by the employee concerned. Such RSUs are issued to employees through a vesting plan and distribution schedule after they achieve required performance milestones or upon remaining with their employer or a particular length of service etc. The company do not have any existing arrangement to issue RSUs and in the event of any such arrangement being sought it shall be with the prior approval of the NRC/Board.

5.3 Principles and procedures applicable for Variable pay

- Variable pay as a proportion of total remuneration increases as roles and responsibilities increase.
- The percentage distribution of total remuneration could vary basis roles and responsibility and performance in a given financial year
- Wherever any employee is paid a variable pay it shall be subject to well defined performance indicators clearly articulated with the employee. Such KPIs shall clearly link the performance with the total remuneration paid to an individual. This is shared at the start of the year with KMP and members of senior management Personnel (SMP).
- The annual performance management process of the company gets initiated at the start of the financial year with goal setting. At the end of the year, the individual is evaluated on the performance delivered basis individual, business/ function unit's and company's performance. In addition, the individual is also rated on leadership demonstrated during the year.

5.4. Procedure for application of Variable pay to Individual cases.

At the beginning of each accounting year Management in consultation with NRC shall devise the detailed sets of KPIs applicable to employees being considered for payment of variable pay (in cash or non-cash) along with the parameters applicable to each employee. The exercise will cover, besides setting goals/KPIs for the

year under review, the quantum of variable pay in cash, the portion of variable pay to be considered for deferral, the non-cash component of variable pay (ex. ESOP etc.) applicability of Malus. Clawback etc within the overall ratio of fixed versus variable pay prescribed in the policy/regulations. Accordingly, the final KPI will be signed off by the Management with the employee individually.

At the end of the accounting year (review year) management through the reporting authority will carry out the assessment of performance of individual employee vis a KPIs assigned and signed off at the beginning of the year. This exercise by the reporting authority/s will determine the final amount of the variable pay for the year and the split between cash, non-cash and also the portion of the amount subjected to deferral, claw back and Malus, the period for which these will prevail. The amount so decided will be communicated to the employee.

6. Compensation for Control and assurance function personnel

- a) The goal setting and performance appraisal process of the company ensures that KMPs and senior management engaged in financial control, risk management, compliance and internal audit have performance measures that are independent of the business areas they oversee.
- b) The RMC and Audit committee of the Board reviews their performance independently and advises the company on their performance which in turn results in the variable part of their compensation.

7. Role of NRC:

- a) NRC shall be responsible for framing, review, modifying and implementation of this Policy, subject to the approval of the Board of the Company.
- b) NRC shall recommend to the Board, all remuneration, in whatever form, payable to KMPs and Designated Senior management personnel (SMPS).
- c) NRC shall ensure that related RBI Guidelines pertaining to the composition and proportion of fixed and variable pay shall be adhered to while determining the compensation of the KMPs and SMPs, including but not limited to the following conditions:
 - The compensation shall achieve a fine balance between the attractiveness for the concerned employee on one hand and profitability & capital adequacy of the Company on the other hand.
 - For all reimbursements, which are part of the fixed pay, there should be a monetary limit specified in the internal grade-wise policies of the Company.

- Proportion of variable pay vis a vis Fixed pay shall be dependent on the level of the employee, roles they carry.
- Any variable pay will be subject to delivery of Key Performance indicators as decided by the NRC/Board. Such KPIs will be set at the beginning of the financial year after due discussion with the concerned officer.
- Care shall be taken to ensure that critical control functions are not rewarded for business performances.
- NRC in consultation with the Board shall also determine representative set of situations for invoking the malus claw back arrangements as detailed separately in this policy under para;

8. Malus and Clawback provisions

- 8.1. Malus: A malus is a feature of a remuneration arrangement that reduces the amount of a deferred incentive/ bonus, so that the amount of the payout is less than the amount of the bonus/incentive awarded. Accordingly once Malus is invoked/triggered the amount of the payout is less than the amount of the incentive. Examples are stock options granted and is waiting to be vested. Malus arrangement does not reverse a vested right after it has already occurred.
- 8.2. The term clawback or claw back refers to any money or benefits that have been given out but are required to be returned (clawed back) due to special circumstances or events, such as the monies having been received as the result of a defined event triggered due to a clawback provision in the compensation. This policy proposes to make the variable (in full or part) part of the compensation subject to Malus /Clawback arrangement. While a malus arrangement permits the company to prevent vesting of all or part of the amount of a deferred remuneration and clawback, on the other hand, is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.
- 8.3. Applying of Malus / Clawback arrangement on entire or part of variable pay on occurrence of the following Situations: identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material RiskTakers (MRTs)) pertaining to the corresponding period for which the clause to be applied. Malus & Clawback awards of variable pay will be subject to ex-ante / ex-post risk based assessment, on an annual basis at the time of allocation / vesting. 'Malus' (the reduction or cancelation of unvested awards) or 'Clawback' (recovery of payments already made) shall be implemented as under;

The Company shall, as a matter of principle prior to any action under this provision, will ensure due regard to the principles of fairness and Natural Justice in the administration of the process of implementing the provisions.

9. Circumstances under which application of Malus and Clawback is to be considered

Variable pay part of Compensation will be subject Malus and Clawback arrangements in the event of occurrence or circumstances as detailed below;

NRC may duly take into consideration factors that were within control of the person (the subject employee), and/ or beyond reasonable control on account of conditions such as macro events, market conditions, industry performance, changes in legal/regulatory requirements, force majeure events like occurrence of natural disasters, pandemic, other socio-economic conditions etc in administering the Malus and clawback provisions.

Certain instances of such events (not exhaustive) are given below;

- a) Material breach of company's Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply Malus or / and Clawback provisions.
- b) Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information
- c) Willful misinterpretation / misreporting of financial performance of the company
- d) Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or of criminal nature.
- e) Non-disclosure of material conflict of interest by the employee or any misuse of official powers
- f) An act of willful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the company.
- g) Malus may also be applied in the situation of significant deterioration of financial or risk performance from one financial year to the next. The performance measures defined as part of goal setting process of the company, business threshold metric and sustainable business strategy framework would form the primary considerations for evaluating the application of Malus in this condition

- h) Any events such as relating to information security events, fraud, consumer abuse, regulatory inspection observations (including awarding of lower (adverse) grades by the regulator) resulted on account of lack or deficiency or inadequacy of oversight by the subject person
- i) Any other events in the opinion of NRC/Board that has resulted in significant financial and or reputational loss
- j) Above events are to be considered by the NRC for application of Malus and Clawback where they result in significant loss to the company or its shareholders.
- k) Circumstances that may trigger Malus or Clawback provisions will be reviewed periodically by the NRC.

10. Application of Malus & Clawback provisions

- a) NRC will review the requirement to invoke the Malus or Clawback provisions in the event one or more of the circumstances come to light.
- b) The review by the NRC will aim to determine the involvement, accountability, severity and willful nature of the act of the concerned person/s.
- c) Bonafide errors of judgment will not be subject to Malus provisions.
- d) The provision of a Malus arrangement would entail cancellation of deferred portion of variable pay. The NRC may decide to apply Malus on part, or all of the unpaid cash portion of variable pay or unvested ESOPs basis level of involvement, proportionality and impact.
- e) The provision of Clawback arrangement would entail return of already paid variable pay in cash and/ or ESOPs attributable to a given reference year to which circumstances triggering the provisions of Malus and Clawback are related.
- f) The NRC may decide to apply Clawback on part, or all of variable pay basis level of involvement, proportionality and impact.
- g) NRC/Board at its discretion shall decide any threshold amount below which the retention period of deferral, vesting period of any non-cash based incentives and application of clawback on paid incentives.

11. Operational procedure Malus/Clawback

- a) As detailed in para 5.4 the exercise will decide the detailed arrangements for invoking deferral payment (retention) of cash incentives, malus and claw back provisions. Once the exercise is finalized appropriate advice/agreement will be signed with the subject employees upon granting.
- b) Subsequent to granting the arrangement concluded at the end of the accounting year will be reviewed by the NRC/Board every year to decide on invocation of one or more arrangements with the beneficiary employees.
- c) In the event of a decision by the NRC/Board to invoke the arrangement vis a vis any of the subject employee management will initiate actions with appropriate notices to the employee concerned.
- d) Period: Retention, Malus and clawback provision on any individual cases shall apply for a period of 3 years after the date of grant of the underlying variable pay to the employee concerned.

Provided that variable pay upto and inclusive of ₹ 25 lakhs may be exempt from the application of these provisions.

12. Approval and Amendments

- a) The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy, based on the recommendation(s) of NRC, from time to time.
- b) Statutory/ regulatory provisions and any amendments thereon, made from time to time shall be binding on the Company and will be complied even if not specifically incorporated in this Policy.

13. Limitation

In the event of any conflict between the provisions of this Policy and the Regulatory prescriptions (including The Companies Act 2013, SEBI LODR and directives of The Reserve Bank of India) the regulatory provisions will prevail over the policy.

14. Review of the policy

The policy will be reviewed annually by the Board or earlier as the Board may chose.

Annexure-G

**DETAILS OF THE EMPLOYEES STOCK OPTION SCHEME IN TERMS OF RULE 12 (9)
OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014**

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details pertaining to Financial Year 2023-24

Option granted	8,30,000 (Overall options granted under the Scheme) NIL granted during FY 2023-24
Option outstanding	64,750 Options (Outstanding as on April 01, 2023)
Options vested	28,875 (Options vested during Financial year 2023-24)
Options exercised	NIL
The total no. of shares arising as a result of exercise of option.	NIL
Option lapsed	47,250 Options
The exercise price	₹ 364/ per option/ equity
Variation of terms of option	-
Money realized by exercise of options	-
Total no. of options in force	17,500 (Outstanding as on March 31, 2024)
Employee wise details of options granted to:-	
a) KMP	Nil
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c) Identified employees who were granted option, 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	Nil

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

V P Nandakumar

Chairman

DIN: 00044512

B N Raveendra Babu

Managing Director

DIN: 00043622

Date: May 24, 2024

Place: Valapad

Annexure-H

A. CONSERVATION OF ENERGY**i. The step taken or impact on conservation of energy**

Asirvad is committed to reduce carbon emission from environment and conserve energy. Asirvad distributes/facilitates/promotes products like solar lantern, improved cook stoves and inverter bulb. Asirvad has partnered with Microenergy Credits (MEC) to be part of the Global Clean & Renewable Energy program under UNFCCC.

ii. The steps taken by the company for utilising alternate sources of energy

Asirvad is committed to utilise and support utilising alternate sources of energy. Adoption of clean energy is perceived to be prohibitive to most household. MEC works by partnering with Micro Finance Institutions and NBFCs which already serve low income and rural households. Asirvad has partnered with MEC to provide training, technical and operational assistance to help MFI customers adopt and increase usage of energy efficient and well as alternate sources of energy.

iii. The capital investment on energy conservation equipment

There was no capital investment spent on energy conservation investments as company acts as a facilitator.

B. TECHNOLOGY ABSORPTION**i. The efforts made towards technology absorption**

Recognizing the challenges inherent in the microfinance business on account of having a large borrower base that is expansive and primarily based in rural areas, we have focused on strengthening our infrastructure through digital means. We have made significant investments in technology to strengthen our borrower onboarding mechanisms and business processes, from borrower acquisition through the loan's lifecycle management, including appraisal, sanction, disbursement, monitoring and recovery. We have received ISO 2001 2013 certification from BSI for the operationalisation for information security control.

We have a core banking solution-based loan management system ("LMS") integrated with core business functions of digital and offline collections, human resources and attendance, dedicated learning platform, borrower support, borrower grievance redressal, accounting, treasury, asset management and legal tracking. The LMS is seamlessly integrated with digital service providers for borrower credential validation, credit worthiness

verification, bank account validation, digital and offline collection, workflow management, paperless approvals, digital meetings, among others.

Our financial accounting package, HRMS system, are all largely integrated with the loan management system. These systems have been developed by our internal team along with our IT vendor – Manappuram Comptech and Consultants Limited ("MACOM"), a member of our Promoter Group and our Group Company, as well as through the support of other IT vendors that have been engaged by us or by MACOM. MACOM's identity as a subsidiary of our Promoter provides allows us to rely on it and ensure confidentiality in services availed, ensuring the integrity of our infrastructure and IT systems.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

- Paperless data capturing and speedy borrower onboarding
- Use of Aadhar and voter identity card, which we are able to digitally verify through APIs; name and address of borrowers are updated digitally; mobile number is verified through OTP authentication; and delinquency levels of new borrowers are verified through real time credit bureau checks.
- Risk wise controls such as automatic KYC verification; built-in age criteria checks; use of two KYC details for more accurate credit bureau reports; and dedupe check for primary KYC, secondary KYC, mobile number and bank account number checks. Instead of separate front end teams that acquire borrowers and a back-end team that undertakes KYC checks, our onboarding process is driven by automation and digital checks that provide immediate response on KYC verification.
- Data stack is able to capture information as provided by borrowers such as house type, assets, income, expenses and existing EMI details to check reliability of income and expense data
- Track and monitor group meetings, attendance, demand, collections, delinquencies on a real time basis for each centre.
- Flexibility of online digital payments to borrowers based on our own application as well as on third-party payment applications that are mobile and web-based.

- Borrowers can also view and monitor their account statements through our 'Asirvad Customer Self Service App'.
- Workforce management tool enables us to track activities of field officers

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a) the details of technology imported
- b) the year of import
- c) whether the technology been fully absorbed
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
Not Applicable

iv. The expenditure incurred on Research and Development

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Description	Nature	Currency	Amount in ₹
Interest	Outgo	EUR and USD	23,66,81,614.21
Hedging Cost	Outgo	EUR and USD	1,90,17,479.03

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V P Nandakumar

Chairman
 DIN: 00044512

B N Raveendra Babu

Managing Director
 DIN: 00043622

Date: May 24, 2024

Place: Valapad

Annexure-I

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Asirvad Micro Finance Limited
9th Floor, No. 9, Club House Road,
Anna Salai, Chennai – 600 002.

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Asirvad Micro Finance Limited (CIN U65923TN2007PLC064550)** (the Company) for the year ended 31st March, 2024, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance

as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 16 to 27 on a comply or explain basis, regulation 62 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

This certificate 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 **KSR & CO COMPANY SECRETARIES LLP**

Dr. C. V. Madhusudhanan

Partner

FCS: 5367; CP: 4408

UDIN: F005367F000433784

PR No.2635/2022

Date : 22nd May, 2024

Place : Coimbatore

Annexure-J
REMUNERATION DETAILS OF DIRECTORS, KMPS, AND EMPLOYEES
1. REMUNERATION DETAILS OF TOP TEN EMPLOYEES

Employee Name	Designation	Nature of Employment	Age	Date of joining (Asirvad)	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 2023-24 (₹ in Lakhs)
B N Raveendra Babu	Managing Director	Full Time	72	01-06-2020	Master's Degree in Commerce (Certificate from Institute of certified Management Accounts UK) Experience: 30 years	Executive Director – Manappuram Finance Limited	0.09%	No	204.34
Adinadh K R	Chief Information Security Officer	Full Time	38	01-06-2020	PH. D Experience: 10 Years	Manappuram Comptech and Consultants Limited -Vice President -IT	Nil	No	40.42
Joshy K G	Chief Technology Officer	Full Time	45	10-03-2022	Chartered Accountant Experience: 13 Years	Manappuram Finance Limited-General Manager	Nil	No	34.48
Rajesh K R N Namboodiripad	Chief Financial Officer	Full Time	48	01-12-2021	Chartered Accountant Experience: 28 Years	Manappuram Finance Limited-General Manager	Nil	No	31.64
Chintha Prasad	Chief Executive Officer- MFI	Full Time	40	04-12-2019	M.B.A (Finance) Experience: 17 Years	Manappuram Finance Limited- AGM Operations	Nil	No	23.19
Muthu Bhaskar	Business Head- Gold Loan	Full Time	43	01-06-2020	M.B.A (Finance) Experience: 18 Years	Manappuram Finance Limited-General Manager-Head Operations	Nil	No	20.59
Rajesh Paila	Senior Assistant General Manager	Full Time	38	18-03-2020	M.B.A (Finance) Experience: 18 Years	Manappuram Finance Limited-Chief Manager	Nil	No	19.48
Basavraj M Shetty	Chief Investor Relations Officer	Full Time	50	09-10-2023	M.B.A Experience: 21 Years	EASEMYTRIP-Head	Nil	No	30.99
Thangappan V	General Manager	Full Time	49	19-11-2008	B. Com Experience: 15 Years	Smile / Mahasemam- Area Manager	Nil	No	24.22
Jiji Joseph	Internal Auditor and Head of Internal Audit	Full Time	34	11-10-2022	I.C.WA Experience: 09 Years	Manappuram Finance Limited-Chief Manager	Nil	No	22.95

2. EMPLOYEES EMPLOYED THOROUGHOUT THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF 1.02 CRORE OR ABOVE PER ANNUM:

Employee Name	Designation
BN Raveendra Babu	Managing Director

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 2023-24 (₹ in Lakhs)
Raveendra Babu BN	Managing Director	Appointed by Board for a term of Five years till 30 th May, 2026	72	01-06-2020	Master's Degree in Commerce (Certificate from Institute of certified Management Accounts UK) Experience: 30 years	Executive Director – Manappuram Finance Limited	0.09%	No	204.34

3. EMPLOYEES EMPLOYED FOR A PART OF THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF NOT LESS THAN EIGHT LAKHS AND FIFTY THOUSAND RUPEES PER MONTH

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 2023-24
Nil									

4. 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:- NA

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

V P Nandakumar

Chairman

DIN: 00044512

B N Raveendra Babu

Managing Director

DIN: 00043622

Date: May 24, 2024

Place: Valapad

Independent Auditors' Report

To the Members of Asirvad Micro Finance Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Asirvad Micro Finance Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section (10) of section 143 of the Act. Our responsibilities under those SAs 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Expected Credit Loss - Impairment of carrying value of loans and advances</p> <p>Refer to Note 3(i) of significant accounting policies and Note 39.</p> <p>Under Ind AS 109, Expected Credit Losses ('ECL') are required to be determined for recognizing impairment losses on financial assets which are stated at amortized cost. The Company exercises significant judgment using assumptions in recognizing impairment provision for loans and advances.</p> <p>The computation of impairment provision or ECL is based on significant management estimates and judgments, which are as under:</p> <ul style="list-style-type: none"> Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL Qualitative and quantitative factors used in staging the loan assets carried at amortized cost. 	<p>We performed following audit procedures:</p> <ul style="list-style-type: none"> Read the Company's Board approved Ind-AS 109 based impairment provisioning Methodology and Estimates policy. Understood and assessed the Company's processes and controls on measurement and recognition of impairment in the loan portfolio Verified on a sample basis, loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage Test checked the Probability of Default ('PD') and Loss Given Default ('LGD') computations performed by the management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at a portfolio level Test checked the computations of determining Exposure at Default (EAD) Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages

Sr. Key Audit Matter No.	Auditor's Response
<ul style="list-style-type: none"> Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). Consideration of probability scenarios and forward looking macro-economic factors <p>ECL requires a large variety of data such as historical data, macro-economic & state specific variables as an input to the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>In view of the criticality of the item to the Financial Statements, complex nature of assumptions, & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> Performed an assessment of the ECL provision at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. Tested the arithmetical accuracy of the computations made by the Company Perused the disclosures in the financial statements in respect of ECL and specific disclosures made in adherence with RBI guidelines related to COVID-19 packages. We have also obtained management representations wherever considered necessary.
<p>2. IT Systems and Controls</p> <p>The Company operates in a complex IT environment that involves substantial reliance on its IT systems which are extensively used in the operations of the Company for processing and recording voluminous data impacting key financial data including loans, interest income, repayment collections data and impairment of financial instruments. These IT systems are also extensively used in the financial reporting process.</p> <p>Adequate IT General Controls, application controls and access controls are required to ensure that such IT systems are able to process the data to ensure data consistency, accuracy and reliability especially for financial reporting.</p> <p>We have identified IT Systems and Controls impacting financial reporting as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture including its extensive use in the financial reporting process. Our audit outcome is dependent on the effective functioning of such IT systems.</p>	<p>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> Obtained an understanding of the Company's business IT environment and key changes if any during the audit period that may be relevant to the audit. Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. We have tested and reviewed on the sample basis computation performed by the IT systems including that of interest income. We have placed reliance on audit report issued by the independent third-party auditor as appointed by the Company for review of Information Security and IT General Control. We have also obtained management representations wherever considered necessary

Emphasis of Matter

We draw attention to Note 64 to the Standalone Financial Statements where pursuant to the requirements of IND AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, during the year, the Company has carried out restatement of the comparative financial information for the year ended 31 March 2023, and reporting periods beginning 01 April 2022.

Our opinion is not modified in respect of this matter.

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

The Company's management and The Board of Directors are responsible for preparation of 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 other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

materially misstated when we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
 2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e) On the basis of the written representations received from the directors as at March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended;
 - g) With respect to the adequacy of internal financial controls with reference to Standalone Financial
- Statements of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'.
3. 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:
 - a) the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41 to the Standalone Financial Statements as at March 31, 2024;
 - b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024;
 - c) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024; and
 - d) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements (Refer Note 61 to the Standalone Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer Note 61 to the Standalone Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- e) The Company has neither declared any dividend nor paid any dividend during the year.
- f) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that audit trail feature is not enabled for direct changes to database in certain data tables at the database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For M. P. Chitale & Co

Chartered Accountants

ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale

Partner

Place: Pune

ICAI Membership No.: 143700

Date: May 22, 2024

UDIN:24143700BKFYEX9743

Annexure A

to the Independent Auditors' Report – March 31, 2024

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company of even date:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment including intangible assets.

- (b) In our opinion, the Company's program of physically verifying Property, Plant and Equipment once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment were physically verified by the Company during the current year. We were informed that no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.

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

- (e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or pending against the Company as at March 31, 2024, for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The Company is in the business of providing micro finance loans and therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.

- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions based on the security of current assets. According to the information and explanation given to us and the records examined by us, the quarterly returns, or statements, were not required to be filed by the Company during the year

as these working capital limits utilised during the year were against liquid securities placed with such banks or financial Institutions

- (iii) (a) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

- (b) The investments made, guarantees provided, security given and loans and advances granted in our opinion, prima facie, are not prejudicial to the interest of the Company.

- (c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 2,21,925 cases having loan outstanding balance at year end aggregating to ₹. 18,363.31 Lakhs wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where repayment of principal and interest have not been regular.

- (d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal overdue (₹ Lakhs)	Interest overdue (₹ Lakhs)	Total amount (₹ Lakhs)
2,21,925	14,926.82	3,436.49	18,363.31

According to the information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

- (e) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable was outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to records of the Company and the information and explanations given to us, there are no statutory dues as mentioned in sub clause vii(a) above which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Details of dues of Income Tax, which have not been deposited as at March 31, 2024, on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2015-16	1,124.50
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2016-17	1,978.91
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	1,348.79
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2020-21	1,953.49
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2021-22	501.38

(viii) According to the information and explanations given to us, there were no transactions relating to previously

unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.

(c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised, other than funds temporarily placed in Bank accounts and Bank Fixed Deposits aggregating to ₹.60,700 lakhs, pending utilization of funds as per respective sanction terms.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been, prima facie, used for long term purposes during the year by the Company.

(e) The Company does not have subsidiary, associate or joint venture Company, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have subsidiary, associate, or joint venture, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to information and explanation given to us, and on the basis of examination of the books and records of the Company, we have come across instances of frauds on the Company amounting to

- ₹. 2,015.71 Lakhs (Aggregate amount), which have been noticed and reported during the year.
- (b) A report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transaction with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports provided to us for the year under audit, and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is 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 (2 of 1934) and such registration has been obtained by the Company.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities or Micro Finance activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year
- (xviii) There has not been any resignation of the statutory auditors of the Company during the year hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) Other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility ('CSR') to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.
- (xxi) Reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements of the Company. Accordingly, no Comment has been included in respect of the said clause under this report.

For M. P. Chitale & Co

Chartered Accountants

ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale

Partner

Place: Pune

ICAI Membership No.: 143700

Date: May 22, 2024

UDIN:24143700BKFYEX9743

Annexure B

to the Independent Auditors' Report – March 31, 2024

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

We have audited the Internal Financial Controls with reference to the Standalone Financial Statements of **Asirvad Micro Finance Limited** ('the Company') as at March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its 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 Companies Act, 2013.

Auditor's Responsibility

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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control with reference to Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co

Chartered Accountants

ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale

Partner

Place: Pune

ICAI Membership No.: 143700

Date: May 22, 2024

UDIN:24143700BKFYEX9743

Balance Sheet as on March 31, 2024

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I Assets			
1 Financial assets			
(a) Cash and cash equivalents	5	96,254.64	54,992.15
(b) Bank balance other than those disclosed in (a) above	6	37,196.96	33,678.78
(c) Loans	7(a)	10,29,534.74	8,66,889.56
(d) Loans given to staff	7(b)	153.07	20.12
(e) Investments	8	38,326.13	19,706.33
(f) Derivative financial instruments	14	1,356.72	2,629.80
(g) Other financial assets	9	13,826.85	12,283.84
Total Financial assets		12,16,649.11	9,90,200.58
2 Non-financial Assets			
(a) Current tax assets (net)	10	2,002.91	3,451.92
(b) Deferred tax assets (net)	11 (a)	10,557.81	7,174.17
(c) Investment property	12	8.64	8.64
(d) Property, plant and equipment	12	7,670.26	7,011.91
(e) Right of use asset	12	10,858.93	9,362.96
(f) Other intangible assets	12	1,918.31	669.84
(g) Intangible assets under development	12	-	-
(h) Other non financial assets	13	1,381.94	1,278.18
Total Non-financial assets		34,398.80	28,957.62
Total Assets		12,51,047.91	10,19,158.20
II Liabilities and equity			
1 Financial liabilities			
(a) Derivative financial instruments	14	-	-
(b) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,121.53	1,786.82
(c) Debt securities	16	61,989.07	1,15,847.95
(d) Borrowings (other than debt securities)	17	8,73,570.67	6,87,360.56
(e) Subordinated liabilities	18	65,130.40	39,401.05
(f) Other financial liabilities	19	30,677.78	17,413.04
Total Financial liabilities		10,33,489.45	8,61,809.42
2 Non-financial liabilities			
(a) Current tax liabilities (net)	20 (a)	-	-
(b) Provisions	20 (b)	1,179.90	1,048.00
(c) Other non-financial liabilities	21	1,468.62	1,900.17
Total Non-financial liabilities		2,648.52	2,948.17
3 Equity			
(a) Equity share capital	22	20,028.34	6,264.02
(b) Other equity	23	1,94,881.60	1,48,136.59
Total Equity		2,14,909.94	1,54,400.61
Total Liabilities and Equity		12,51,047.91	10,19,158.20

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For M. P. CHITALE & Co
Chartered Accountant
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 22, 2024
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

Rajesh KRN Namboodiripad
Chief Financial Officer

Date: May 22, 2024
Place: Valapad

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Aparna Menon
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2024

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations			
Interest income	24 (a)	2,51,408.75	1,54,523.78
Net Gain on derecognition of financial instruments under amortised cost category	24 (b)	14,250.01	10,369.52
Other operating income	25	2,472.68	6,626.23
Total Revenue from operations		2,68,131.44	1,71,519.53
II Other income	26	5,062.75	4,408.11
III Total income (I + II)		2,73,194.19	1,75,927.64
IV Expenses			
Finance cost	27	94,741.32	62,984.76
Impairment of financial instruments	28	46,372.95	27,368.43
Employee benefit expenses	29	48,838.71	39,663.94
Depreciation and amortisation expense	30	5,076.24	3,397.14
Other expenses	31	16,001.49	11,420.73
Total expenses (IV)		2,11,030.71	1,44,835.00
V Profit/(Loss) before exceptional items and tax (III -IV)		62,163.48	31,092.64
VI Exceptional items		-	-
VII Profit/(Loss) before tax for the year (V- VI)		62,163.48	31,092.64
VIII Tax expense			
(1) Current tax	11 (b)	19,448.50	6,318.30
(2) Deferred tax charge/(credit)	11 (b)	(3,287.96)	2,194.56
(3) Tax relating to earlier years	11 (b)	172.57	236.88
Total Tax expense		16,333.11	8,749.74
IX Profit/(Loss) after tax for the year (VII - VIII)		45,830.37	22,342.90
X Other comprehensive income	23		
A (i) Items that will not be reclassified to profit or loss:			
a. Remeasurement gains and (losses) on defined benefit obligations (net)		(247.61)	(49.66)
b. Fair value changes in equity instrument		(0.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		62.35	12.50
Subtotal (A)		(185.36)	(37.16)
B (i) Items that will be reclassified to profit or loss			
a. Fair value changes on derivatives designated as cash flow hedge (net)		(411.51)	299.97
b. Fair value changes on Investment held as FVOCI		241.86	(234.80)
(ii) Income tax relating to items that will be reclassified to profit or loss		42.70	(16.40)
Subtotal (B)		(126.95)	48.77
Other comprehensive Income/(Loss) for the year (A + B)		(312.31)	11.61
XI Total comprehensive Income/(Loss) for the year (IX + X)		45,518.06	22,354.51
XII Earnings per equity share (Face Value of ₹ 10/- per share)	33		
- Basic (₹)		23.24	12.84
- Diluted (₹)		23.24	12.84

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For **M. P. CHITALE & Co**
Chartered Accountant
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 22, 2024
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
Chief Financial Officer

Rajesh KRN Nambodiripad
Chief Financial Officer

Date: May 22, 2024
Place: Valapad

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Aparna Menon
Company Secretary

Statement of Cash Flow for the year ended March 31, 2024

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A Cash flow from operating activities		
Profit/(Loss) before tax for the year	62,163.48	31,092.64
<i>Adjustments for:</i>		
Depreciation and amortisation expense	5,076.24	3,397.14
Impairment of financial instruments Amortisation of assets & Loss on derecognition of financial assets (Refer note no.10)	46,372.95	27,368.43
Provision for insurance claim receivable	(82.67)	(176.24)
Loss/(Profit) on sale of fixed assets (net)	0.34	-
Finance cost	94,741.32	62,984.76
Interest on deposits	(5,838.77)	(4,093.29)
Share based payments to employees	0.64	(21.02)
Operating profit before working capital changes	2,02,433.53	1,20,552.42
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Loans	(2,06,513.79)	(3,51,402.67)
Loans given to staff	(132.95)	(14.98)
Other financial assets	(1,866.52)	(38.43)
Other non financial assets	(103.76)	(198.18)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	334.71	(937.68)
Other financial liabilities	4,675.21	(0.88)
Other non financial liabilities	(431.55)	479.27
Other provisions	(115.71)	(499.26)
Net cash flow generated/(used in) operations	(1,720.83)	(2,32,060.39)
Net Income tax paid	(18,172.06)	(6,433.10)
Net cash generated/(used in) in operating activities (A)	(19,892.89)	(2,38,493.49)
B Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	5.70	-
Purchase of property, plant and equipment	(2,311.06)	(4,562.19)
Purchase of other intangible assets	(1,777.72)	(667.24)
Net movement in bank deposits	(3,518.08)	(20,814.51)
Investments	(20,476.10)	(9,504.68)
Interest income on deposits	5,838.66	3,800.18
Net cash flow generated/(used in) from investing activities (B)	(22,238.60)	(31,748.44)
C Cash flow from financing activities		
Increase in Share Capital	412.11	932.84
Increase in Security Premium	14,587.89	24,067.16
Proceeds from long term borrowings - term loans	6,13,687.50	5,34,276.00
Repayment of long term borrowings - term loans	(4,09,528.75)	(2,26,229.78)
Interest paid on term loans	(67,891.73)	(40,194.16)
Proceeds from long term borrowings - debentures	27,500.00	39,000.00
Repayment of long term borrowings - debentures	(54,468.50)	(60,567.30)
Interest paid on debentures	(17,250.24)	(13,113.33)
Interest paid on securitisation	(3,931.84)	(224.90)
Repayment of Over Draft	(10,018.62)	(10,018.62)

Statement of Cash Flow for the year ended March 31, 2024

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest paid on OD	(127.20)	(334.83)
Repayment of securitisation borrowings	(6,673.08)	-
Proceeds from short term borrowings - commercial paper	8,355.00	34,695.67
Repayment of short term borrowings - commercial paper	(8,355.00)	(34,695.67)
Interest paid on Commercial Borrowing	(145.01)	(476.45)
Processing and arranger Fee paid	(773.88)	-
Other interest and charges paid	(1,984.67)	(1,133.89)
Net cash flow generated/(used in) from financing activities (C)	83,393.98	2,45,982.74
Net increase/(decrease) in cash and cash equivalents (A+B+C)	41,262.49	(24,259.19)
Cash and cash equivalents at the beginning of the year	54,992.15	79,251.34
Cash and cash equivalents at the end of the year (Refer Note 5)	96,254.64	54,992.15
Cash and cash equivalents as per above comprise of the following		
(a) Cash on hand	1,343.11	3,196.83
(b) Balances with banks		
- In current accounts	36,634.30	39,292.34
- In deposit accounts - with original maturity of less than 3 months	58,277.23	12,502.98
Balance as per statement of cash flow	96,254.64	54,992.15

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For M. P. CHITALE & Co
Chartered Accountant
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 22, 2024
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

Rajesh KRN Namboodiripad
Chief Financial Officer

Date: May 22, 2024
Place: Valapad

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Aparna Menon
Company Secretary

Statement of Changes in Equity

(All amounts in ₹ lakhs unless otherwise stated)

for the year ended March 31, 2024

A. Equity Share Capital

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the reporting period	6,264.02	5,331.19
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the current period / year	13,764.32	932.83
Balance at the end of the reporting period	20,028.34	6,264.02

B. Other Equity

(1) For the Year Ended March 31, 2024

Particulars	Reserves and Surplus						Other Comprehensive Income				Total		
	Securities Premium	Statutory Reserve	Capital redemption reserve	ESOP Contribution	General Reserve	Retained Earning (Surplus in statement of profit and loss)	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income		OCI (Tax related to items that will be reclassified)	Tax related to items that will not be reclassified
Balance at the beginning of the current reporting period (As at April 01, 2023)	79,878.05	14,491.48	500.00	53.53	113.78	53,031.00	(42.98)	655.36	0.65	(512.50)	(35.94)	4.16	1,48,136.59
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	79,878.05	14,491.48	500.00	53.53	113.78	53,031.00	(42.98)	655.36	0.65	(512.50)	(35.94)	4.16	1,48,136.59
Total Comprehensive Income for the current period	-	-	-	0.64	-	45,830.37	(247.61)	(411.51)	(0.10)	241.86	42.70	62.35	45,518.70
Issue of equity shares (Right Issue)	14,587.91	-	-	-	-	-	-	-	-	-	-	-	14,587.91
Issue of Bonus shares (Utilisation)	(13,352.22)	-	-	-	-	-	-	-	-	-	-	-	(13,352.22)
Transfer To/From	-	9,166.07	-	(37.24)	37.24	(9,166.07)	-	-	-	-	-	-	-
Reversal During the period	-	-	-	-	(9.38)	-	-	-	-	-	-	-	(9.38)
Balance at the end of the current reporting period (As at March 31, 2024)	81,113.74	23,657.55	500.00	16.93	141.64	89,695.30	(290.59)	243.85	0.55	(270.64)	6.76	66.51	1,94,881.60

Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(2) For the Year Ended March 31, 2023

Particulars	Reserves and Surplus							Other Comprehensive Income				Total	
	Securities Premium	Statutory Reserve	Capital redemption reserve	ESOP Contribution	General Reserve	Retained Earning (Surplus in statement of profit and loss)	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through comprehensive income	Other instrument through comprehensive income	OCI (Tax related to items that will be reclassified)		Tax related to items that will not be reclassified
Balance at the beginning of the current reporting period (As at April 01, 2022)-Annual	55,810.89	10,076.05	500.00	-	35.93	35,369.26	6.68	355.39	-	-89.45	-8.17	1,02,056.58	
Changes in accounting policy or prior period errors	-	-53.15	-	143.96	25.91	-212.58	-	-	0.65	-277.70	69.91	-0.17	-303.17
Restated balance at the beginning of the current reporting period	55,810.89	10,022.90	500.00	143.96	61.84	35,156.68	6.68	355.39	0.65	-277.70	-19.54	-8.34	1,01,753.41
Total Comprehensive Income for the current year	-	-	-	-	-	22,342.90	-49.66	299.97	-	-234.80	-16.40	12.50	22,354.51
Issue of share capital	24,067.16	-	-	-	-	-	-	-	-	-	-	-	24,067.16
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer To/From	-	4,468.58	-	-69.41	69.41	-4,468.58	-	-	-	-	-	-	-
Reversal During the Year	-	-	-	-21.02	-17.47	-	-	-	-	-	-	-	-38.49
Balance at the end of the current reporting period (As at March 31, 2023)	79,878.05	14,491.48	500.00	53.53	113.78	53,031.00	-42.98	655.36	0.65	-512.50	-35.94	4.16	1,48,136.59

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For M. P. CHITALE & Co

Chartered Accountant
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale

Partner
ICAI Membership Number: 143700

Date: May 22, 2024

Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar

Chairman
(DIN No.00044512)

Rajesh KRN Namboodiripad

Chief Financial Officer

Date: May 22, 2024

Place: Valapad

B N Raveendra Babu

Managing Director
(DIN No.00043622)

Aparna Menon

Company Secretary

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

1 Corporate information

Asirvad Micro Finance Limited was incorporated in August 29, 2007 under the provisions of Companies Act, 1956. The Company is a Non-Banking Financial Company - Systemically Important Non-Deposit taking Company - Microfinance Institution (NBFC-MFI). The company is registered as a Microfinance Institution under the Non Banking Financial Company-Micro Finance Institution (Reserve Bank) Directions, 2011 as amended, vide RBI letter dated October 04, 2013 with Registration Number N-07-00769 dated October 04, 2013. The company's registered address is 9th Floor, No 9, Club House Road, Anna Salai, Chennai-600002

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral free loans with fortnightly/monthly repayments. The company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group.

In addition to the core business of providing micro-credit, the company also provides secured loans to Micro Small and Medium Enterprise ('MSME') and also provides gold loans.

2 Basis of preparation and presentation of financial information

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

Pursuant to the requirements of IND AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, during the year, the Company has carried out restatement of the comparative financial information and the impact of such restatement on the financial statement for the year ended 31 March 2023, and reporting periods beginning 01 April 2022 is provided in the Note 64 of the accompanying financial statements, thereby providing reliable and more relevant information about the company's financial position, financial performance or cash flows.

(ii) Historical cost convention

The restated financial information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the restated financial information have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Critical accounting estimates and judgements

The preparation of restated financial information in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the restated financial statements are:

Business model assessment

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Defined employee benefit assets and liabilities

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

Fair value measurements

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

Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions

Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date,

based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of asset.

3 Summary of material accounting policies

(a) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

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

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the Straight Line Method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

(b) Investment Property

Initial recognition and measurement

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition

An investment property is derecognised 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 the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

(c) Intangible assets

Initial recognition and measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of three years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost.

Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the company demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The company intends to and has sufficient resources to complete the project
- The company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

(d) Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates 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 net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired, Company reverts to calculating interest income on a gross basis.

Overdue interest is recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

recognised on carrying value of assets over the remaining period of such assets.

Referral income

Income from cross sale services is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

(e) Finance cost

Finance cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

(f) Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the

tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

(g) Employee benefits

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability recognised in the restated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(ii) Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

(h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be

impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(i) Impairment of financial assets

The Expected Credit Loss (ECL) allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), 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 (12mECL).

The 12m ECL is the portion of LTECLs 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 LTECLs and 12m ECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset 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. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. 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 the statement profit and loss account.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible

into known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(l) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(m) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the

entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL).

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

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

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

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

A financial asset is measured at FVTOCI if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets
- (b) The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

profit or loss in the same manner as for financial assets measured at amortised cost

(iii) Financial assets carried at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

De-recognition of financial assets

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

- a. The rights to receive cash flows from the asset have expired, or
- b. 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 (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) 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 passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. 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. If the Company retains the right to service the

financial asset for a fee, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the company adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

are a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Derivative financial instruments

The Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for, as described below: Cash Flow Hedges
 A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

(p) Segment reporting

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

(q) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(r) Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognized and proceeds received from

securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

(s) Statement of cash flows

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

4 Events after reporting date

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

Notes Forming Part of the Financial Statements

for the year ended **March 31, 2024**

(All amounts in ₹ lakhs unless otherwise stated)

5 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(a) Cash on hand	1,343.11	3,196.83
(b) Balances with banks		
- In current accounts	36,634.30	39,292.34
- In deposit accounts - not covered under lien (less than 3 months)	58,277.23	12,502.98
	96,254.64	54,992.15
5.1	As at March 31, 2024	As at March 31, 2023
Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements	96,254.64	54,992.15

6 Bank balance other than those disclosed in (a) above (Also, refer note 17.1)

	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
- In Deposit Accounts - not covered under lien (3 months & above)	533.05	105.66
- In Deposit Accounts - under lien (Refer note 6.1 below)	36,663.91	33,573.12
	37,196.96	33,678.78

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to ₹ 31,317.74 Lakhs (at March 31, 2023 ₹ 30,799.60 Lakhs) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) amounting to ₹ 4,301.56 Lakhs (As at March 31, 2023 ₹ 1,627.40 Lakhs) are placed as credit enhancement (cash collateral) towards PTC transactions.

7(a) Loans (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Loans	10,63,019.10	8,92,044.47
Less : Impairment loss allowance	33,484.36	25,154.91
Total	10,29,534.74	8,66,889.56
(i) Secured		
Loans	97,358.70	74,262.26
Less : Impairment loss allowance	488.21	381.03
Sub Total	96,870.49	73,881.23
(ii) Unsecured		
Loans	9,65,660.40	8,17,782.20
Less : Impairment loss allowance	32,996.15	24,773.87
Sub Total	9,32,664.25	7,93,008.33
Grand Total	10,29,534.74	8,66,889.56

7(b) Loans given to staff (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Loans to Staff	153.07	20.12
	153.07	20.12

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

7(b) Loans given to staff (at amortised cost)

7.1 Particulars	As at March 31, 2024	As at March 31, 2023
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognition as per Ind AS 109. The amounts given are net of minimum retention retained in the books	1,23,415.19	1,05,803.35

7.2 Particulars	As at March 31, 2024	As at March 31, 2023
Provisions as per RBI Income Recognition, Asset Classification and Provisioning Norms (IRACP norms)	20,534.29	9,912.56
Provisions as per ECL model under Ind AS 109	33,484.36	25,154.91
Amount recorded in the books	33,484.36	25,154.91

As at March 31, 2024

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	9,99,063.14	9,931.49	9,89,131.65	4,125.07	5,806.42
	Stage 2	20,097.55	1,264.22	18,833.33	81.84	1,182.38
Non Performing Assets (NPA)						
Substandard	Stage 3	42,318.57	21,431.32	20,887.25	15,407.10	6,024.22
Doubtful						
Up to one year	Stage 3	1220.57	618.13	602.44	543.32	74.81
1 to three year	Stage 3	373.74	189.27	184.47	278.36	-89.09
More than three year	Stage 3	98.60	49.93	48.67	98.60	-48.67
Subtotal for doubtful		1692.91	857.33	835.58	920.28	-62.95
Total	Stage 1	9,99,063.14	9,931.49	9,89,131.65	4,125.07	5,806.42
	Stage 2	20,097.55	1,264.22	18,833.33	81.84	1,182.38
	Stage 3	44,011.48	22,288.65	21,722.83	16,327.38	5,961.27
Total		10,63,172.17	33,484.36	10,29,687.81	20,534.29	12,950.07

As at March 31, 2023

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	8,47,060.61	7,995.61	8,39,065.00	3,454.40	4,541.21
	Stage 2	18,120.41	1,610.86	16,509.55	73.40	1,537.46
Non Performing Assets (NPA)						

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Substandard	Stage 3	26,092.14	15,124.95	10,967.19	5,764.98	9,359.97
Doubtful						
Up to one year	Stage 3	713.92	377.17	336.75	545.86	-168.69
1 to three year	Stage 3	23.14	13.52	9.62	19.48	-5.96
More than three year	Stage 3	54.37	32.80	21.57	54.41	-21.61
Subtotal for doubtful		791.43	423.49	367.94	619.75	-196.26
Total	Stage 1	8,47,060.61	7,995.61	8,39,065.00	3,454.40	4,541.21
	Stage 2	18,120.41	1,610.86	16,509.55	73.40	1,537.46
	Stage 3	26,883.57	15,548.44	11,335.13	6,384.73	9,163.71
Total		8,92,064.59	25,154.91	8,66,909.68	9,912.53	15,242.38

* The Loss Allowance Provision on all stages including Stage 3 is computed on Outstanding Balance i.e Principal Outstanding + Accrued Interest of advances before giving effect of Ind AS adjustments.

7.3 The Stage wise break of loans reflected above (Refer Note 7a and 7b) is given below :

(A) As at March 31, 2024

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	8,86,521.19	19,637.48	40,658.76
ii. Loans considered as Non Qualifying Assets	1,12,541.95	460.07	3,352.72
Gross Carrying Amount of Loans	9,99,063.14	20,097.55	44,011.48
Less : Impairment loss allowance	9,931.49	1,264.22	22,288.65
Net Loans	9,89,131.65	18,833.33	21,722.83

(B) As at March 31, 2023

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	7,54,845.18	17,440.48	25,559.46
ii. Loans considered as Non Qualifying Assets	92,215.44	679.93	1,324.10
Gross Carrying Amount of Loans	8,47,060.62	18,120.41	26,883.56
Less : Impairment loss allowance	7,995.61	1,610.86	15,548.44
Net Loans	8,39,065.01	16,509.55	11,335.12

7.4 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at 1 April 2022	35,374.40
Add: Impairment allowance provided in statement of Profit & Loss	27,368.42
Less: Impairment allowance Utilised for writing off assets	11,206.00
Less: Impairment allowance Utilised for portfolio sold to ARC	26,367.11
Less: Impairment allowance provided for receivables from resigned employees	14.80
Impairment allowance as at March 31, 2023	25,154.91
Add: Impairment allowance provided in statement of Profit & Loss	46,372.95
Less: Impairment allowance Utilised for writing off Loss assets	16,915.43

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Amount
Less: Impairment allowance Utilised for portfolio sold to ARC	18,450.26
Less: Impairment allowance provided for receivables from resigned employees	406.18
Less: Impairment allowance provided for other Financial Assets	70.41
Less: Impairment allowance provided for Security deposit	103.06
Less: Impairment allowance provided for Security Receipts	2,098.16
Impairment allowance as at March 31, 2024	33,484.36

7.5 Disclosure for securitisation of Standard Assets outstanding as on reporting date as per RBI circular no.DOR.STR.REC.53/21.04.177/2021-22 dated September, 24, 2021.

	As at March 31, 2024	As at March 31, 2023
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	37	28
b. Through PTC	6	3
Total	43	31
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	1,21,775.14	1,05,541.63
b. Through Pass through Certificates	42,033.13	43,041.45
Total	1,63,808.27	1,48,583.08
(iii) Total amount of exposures retained by the 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	13,523.92	11,953.65
Others	-	-
a. Pass through Certificates	-	-
Others	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

7.6 Details of Financial Assets sold to Securitisation Company

	Year ended March 31, 2024	Year ended March 31, 2023
Total number of loan assets securitized during the year		
a. Through Direct assignment	5,78,232	3,81,103
b. Through PTC	1,44,023	1,37,956
	7,22,255	5,19,059
Book value of loan assets securitized during the year		
a. Through Direct assignment	2,12,372.05	1,25,725.33
b. Through PTC	53,410.70	52,189.86
	2,65,782.75	1,77,915.19
Sale consideration received during the year		
a. Through Direct assignment	1,91,134.85	1,13,153.55
b. Through PTC	47,164.27	45,175.58
	2,38,299.12	1,58,329.13
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised		
a. Through Direct assignment	21,237.21	12,571.78
b. Through PTC	6,246.43	7,014.28
	27,483.64	19,586.06
Gain / (loss) on the securitization transaction recognised in P&L		
Through PTC & Direct assignment	14,250.01	10,369.52
Gain / (loss) on the securitization transactions deferred		-
Through PTC & Direct assignment	-	-
	14,250.01	10,369.52
Quantum of Credit Enhancement provided on the transactions in the form of deposits		
a. Through Direct assignment	-	-
b. Through PTC	2,018.40	2,283.17
	2,018.40	2,283.17
Quantum of Credit Enhancement as at year end		
a. Through Direct assignment	21,237.21	-
b. Through PTC	6,482.39	2,283.17
	27,719.60	2,283.17
Interest spread Recognised in the Statement of Profit and Loss during the Year		
a. Through Direct assignment	14,250.01	10,369.52
b. Through PTC	-	-
	14,250.01	10,369.52

Note : The securitised loans through PTC disclosed in the above notes, i.e 7.5 and 7.6 do not qualify for de-recognition under Ind AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

7.7 No disclosure has been presented as per RBI notification RBI/2019-20/220 DOR,No.BP.DC.63/21.04,048/2020-21 Dated: April 17, 2020; as the balances are Nil.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

8 Investments

	As at March 31, 2024	As at March 31, 2023
Investments at fair value through other comprehensive income		
Outside India		
In India		
(i) Unquoted Equity instruments	5.75	5.65
(ii) Investment in Government Securities	19,487.32	10,195.96
Sub Total	19,493.07	10,201.61
Investments at fair value through Profit or Loss		
Outside India	-	-
In India		
(i) Investment in Security Receipts	20,477.26	9,504.72
(ii) Investment in Pass Through Certificates	453.80	-
Sub Total	20,931.06	9,504.72
Gross Total	40,424.13	19,706.33
Less : Allowance for impairment loss	2,098.00	-
Total	38,326.13	19,706.33

9 Other financial assets

	As at March 31, 2024	As at March 31, 2023
(a) Security deposits	901.81	983.42
(b) Unamortised Income On Direct assignment	6,591.04	4,640.16
(c) Others*	6,334.00	6,660.26
	13,826.85	12,283.84

* (Also, refer note 53 for ageing of Trade receivables)

10 Current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance income tax	2,002.91	3,451.92
	2,002.91	3,451.92

11 (a) Deferred tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (net)	10,557.81	7,174.17
	10,557.81	7,174.17

11 (b) Current tax and deferred tax

(i) Income tax expense

	As at March 31, 2024	As at March 31, 2023
(a) Current tax in respect of current year	19,448.50	6,318.30
(b) Deferred tax relating to origination and reversal of temporary differences	(3,287.96)	2,194.56
(c) Tax relating to earlier year	172.57	236.88
Total tax expense recognised in statement of profit and loss	16,333.11	8,749.74

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at March 31, 2024	As at March 31, 2023
Profit Before tax from operations	62,163.48	31,092.64
Income Tax using the company's domestic Tax rate #	15,646.55	7,826.02
Effect of income exempt from tax	-	-
Effect of other permanent differences	660.90	113.05
Effect on utilisation of accumulated losses during the year	-	-
Effect of change in tax rate	-	-
Effect of deferred tax remeasurement	(146.91)	573.79
Effect of change in previous year tax amount	172.57	236.88
Income tax recognised in the statement of profit & loss	16,333.11	8,749.74

The tax rate used for the year ended March 31, 2024 and March 31, 2023 reconciliations above are the Corporate tax rate of 22%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income tax on other comprehensive income

	As at March 31, 2024	As at March 31, 2023
Deferred tax		
Remeasurement of defined benefit obligation	(62.32)	(12.50)
Fair value changes on Equity Investment held as FVOCI	(0.03)	-
Fair value changes on derivatives designated as cash flow hedge (net)	(103.58)	75.50
Fair value changes on Other Investment held as FVOCI	60.88	(59.10)
Total	(105.05)	3.90

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Particulars	For the Year Ended March 31, 2024				Closing Balance
	Opening Balance	(Charge)/Credit recognised in		Equity	
		Recognised in profit and Loss	Recognised in OCI		
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	145.64	196.38	-	-	342.02
Provision for employee benefits	669.53	849.06	62.32	-	1,580.91
Provision for loan receivables	6,221.52	1,639.32	-	-	7,860.84
Provision for fraud insurance claim receivable	282.40	208.75	-	-	491.15
Effective interest rate on borrowings	85.40	157.91	-	-	243.31
Present value discounting of security deposit and documentation fee	748.66	294.78	-	-	1,043.44
Effect of implementation of Ind AS 116	331.06	242.92	-	-	573.98

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	For the Year Ended March 31, 2024				Closing Balance
	Opening Balance	(Charge)/Credit recognised in		Equity	
		Recognised in profit and Loss	Recognised in OCI		
Effective interest rate on DA and PTC loans	(1,287.46)	(301.31)	-	-	(1,588.77)
ESOP Contribution	13.54	0.16	-	(9.38)	4.32
Equity Investment held as FVOCI	(0.17)	-	0.03	-	(0.14)
Gain / loss on hedge valuation	(164.95)	-	103.58	-	(61.37)
Investment held as FVOCI	129.00	-	(60.88)	-	68.12
Total	7,174.17	3,287.97	105.05	(9.38)	10,557.81

Particulars	For the Year Ended March 31, 2023				Closing Balance
	Opening Balance	(Charge)/Credit recognised in		Equity	
		Recognised in profit and Loss	Recognised in OCI		
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	635.50	(489.86)	-	-	145.64
Provision for employee benefits	824.93	(167.90)	12.50	-	669.53
Provision for loan receivables	8,815.83	(2,594.31)	-	-	6,221.52
Provision for fraud insurance claim receivable	179.34	103.06	-	-	282.40
Effective interest rate on borrowings	78.99	6.41	-	-	85.40
Present value discounting of security deposit and documentation fee	570.67	177.99	-	-	748.66
Effect of implementation of Ind AS 116	134.80	196.26	-	-	331.06
Effective interest rate on DA and PTC loans	(1,866.49)	579.03	-	-	(1,287.46)
ESOP Contribution	36.34	(5.33)	-	(17.47)	13.54
Equity Investment held as FVOCI	(0.17)	-	-	-	(0.17)
Cash flow hedge Reserve	(89.45)	-	(75.50)	-	(164.95)
Investment held as FVOCI	69.90	-	59.10	-	129.00
Total	9,390.19	(2,194.65)	(3.90)	(17.47)	7,174.17

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars	Property, plant and equipment							Right of use asset	Other intangible assets- Softwares	Intangible assets under development		
	Investment Property - Land	Computers	Furniture & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Freehold Land				Building	Total
Gross block												
As at 1 April 2022	8.64	3,027.51	2,856.25	185.98	1,940.47	82.26	-	-	8,092.47	8,585.80	811.22	94.18
Additions	-	1,368.00	1,548.76	219.67	1,425.76	-	-	-	4,562.19	4,250.90	667.24	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	(94.18)
As at 31 March 2023	8.64	4,395.51	4,405.01	405.65	3,366.23	82.26	-	-	12,654.66	12,836.70	1,478.46	-
Additions	-	748.98	680.78	30.42	630.58	-	93.44	126.86	2,311.06	4,390.52	1,777.72	-
Disposals	-	(0.37)	(2.64)	-	(2.69)	-	-	-	(5.70)	-	-	-
As at 31 March 2024	8.64	5,144.12	5,083.15	436.07	3,994.12	82.26	93.44	126.86	14,960.02	17,227.22	3,256.18	-
Accumulated depreciation/amortisation:												
As at 1 April 2022	-	2,487.09	1,117.03	185.08	816.47	63.77	-	-	4,669.44	1,189.35	669.18	-
Depreciation/ Amortisation expense	-	417.45	250.94	24.55	275.39	4.98	-	-	973.31	2,284.39	139.44	-
Eliminated on Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	-	2,904.54	1,367.97	209.63	1,091.86	68.75	-	-	5,642.75	3,473.74	808.62	-
Depreciation/ Amortisation expense	-	749.54	382.18	50.19	465.91	4.05	-	0.56	1,652.43	2,894.55	529.25	-
Eliminated on Disposal of Assets	-	(0.37)	(2.63)	-	(2.42)	-	-	-	(5.42)	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2024	-	3,653.71	1,747.52	259.82	1,555.35	72.80	-	0.56	7,289.76	6,368.29	1,337.87	-
Net block												
As at 31 March 2023	8.64	1,490.97	3,037.04	196.02	2,274.37	13.51	-	-	7,011.91	9,362.96	669.84	-
As at 31 March 2024	8.64	1,490.41	3,335.63	176.25	2,438.77	9.46	93.44	126.30	7,670.26	10,858.93	1,918.31	-

Also refer Note 55 for Intangible Assets Under Development

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

13 Other non financial assets

	As at March 31, 2024	As at March 31, 2023
(a) Goods & service tax credit (input) receivable	428.58	341.34
(b) Prepaid expenses	896.00	894.41
(c) Capital advances	11.17	9.74
(d) Opex advances	43.41	6.96
(e) Others	2.78	25.73
	1,381.94	1,278.18

14 Derivative financial instruments (Also, refer note 42.14)

	As at March 31, 2024	As at March 31, 2023
Currency derivatives		
Cross Currency Interest rate swap		
- Notional Amount (Respective Currency converted at closing exchange rate)		
- Fair Value Asset	1,356.72	2,629.80
- Fair Value Liabilities	-	-
Total Notional	10,004.88	34,734.55
Total Fair Value Assets	1,356.72	2,629.80
Total Fair Value Liabilities	-	-

Note: All the above derivative instruments are held for hedging and risk management purpose

15 Other payables

	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises (Also, refer note 40)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (Also, refer note no 54 for trade payables ageing)	2,121.53	1,786.82
	2,121.53	1,786.82

There are no dues payable as at March 31, 2024 and March 31, 2023 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

16 Debt securities (At amortised cost)

	As at March 31, 2024	As at March 31, 2023
(a) Redeemable non-convertible debentures		
- Secured	60,824.87	1,07,075.54
- Unsecured	1,164.20	8,772.41
(b) Commercial papers (Unsecured) (Refer Note 17.3)	-	-
	61,989.07	1,15,847.95
(i) Debt securities in India	61,989.07	1,15,847.95
(ii) Debt securities outside India	-	-
Also, refer note 17.4	61,989.07	1,15,847.95

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

17 Borrowings (other than debt securities) (At amortised cost)

	As at March 31, 2024	As at March 31, 2023
(a) Secured		
- Term loan from banks	7,98,760.81	5,68,464.74
- Term loan from NBFCs	26,788.30	25,773.90
- Other financial institutions	9,828.53	34,463.03
	8,35,377.64	6,28,701.67
(b) Unsecured		
- Term loan from NBFCs	1,997.08	15,789.87
(c) Borrowings under securitisation arrangement	36,195.95	42,869.02
Total (a)+(b)+(c)	8,73,570.67	6,87,360.56
Borrowings in India	8,63,742.14	6,52,897.53
Borrowings outside India	9,828.53	34,463.03
	8,73,570.67	6,87,360.56

17.1 Security on term loans from banks and others (Also, refer note 6)

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

	As at March 31, 2024	As at March 31, 2023
(a) Deposits with Banks & Others	36,663.91	33,573.12
(b) Deposits with NBFCs	-	-
	36,663.91	33,573.12

17.2 Details of cash credit from bank - Secured

- (a) The cash credit facility is secured by hypothecation of Microfinance Loans
 (b) The Company has not defaulted in the repayment of dues to Banks and NBFC's.
 (c) The details of interest rate, tenor, repayment terms of the Short Term Borrowings are as follows:

Particulars	Interest Rate	March 31, 2024	March 31, 2023
Cash Credit	8.70%	600.00	-

17.3

(i) Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	March 31, 2024	March 31, 2023
-	-	-	-	-

(ii) Details of commercial paper issued/repaid during the current year ended March 31, 2024

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
Northern Arc Money Market Alpha Trust (Repaid)	67	8.65%	24-04-2023
Super Auto Forge Private Limited (Repaid)	91	8.30%	22-11-2023
Venkatesh Ramarathinam (Repaid)	91	8.30%	22-11-2023

Details of commercial paper issued/repaid during the current year ended March 31, 2023

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
SBI Mutual Fund (Repaid)	52	7.75%	23-08-2022
SBI Mutual Fund (Repaid)	56	7.75%	23-08-2022
SBI Mutual Fund (Repaid)	57	8.65%	31-10-2022
Northern Arc Money Market Alpha Trust (Repaid)	90	8.65%	23-11-2022

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

17.4 Details of terms of repayment- Debentures and subordinated liabilities

ISIN No	Type of NCD	No. of Debentures As at		Face value	Interest rate	Due date of redemption	Closing balance As at	
		March 31, 2024	March 31, 2023				March 31, 2024	March 31, 2023
INE516Q08422	Sub Debt	15,000	-	1,00,000.00	11.25%	16-May-29	15,000.00	-
INE516Q08331	Sub Debt	10,000	10,000	1,00,000.00	11.90%	26-Jun-26	10,000.00	10,000.00
INE516Q08430	Sub Debt	10,000	-	1,00,000.00	11.25%	07-Jul-30	10,000.00	-
INE516Q08372	Sub Debt	5,000	5,000	1,00,000.00	13.50%	31-Dec-27	5,000.00	5,000.00
INE516Q07465	Other Than Sub Debt	2,500	-	1,00,000.00	9.30%	20-Jan-26	2,500.00	-
INE516Q08414	Sub Debt	2,500	2,500	1,00,000.00	11.25%	31-Mar-29	2,500.00	2,500.00
INE516Q07424	Other Than Sub Debt	1,450	1,450	10,00,000.00	11.05%	15-Sep-26	14,500.00	14,500.00
INE516Q07457	Other Than Sub Debt	1,150	1,150	10,00,000.00	8.50%	28-Sep-24	11,500.00	11,500.00
INE516Q07440	Other Than Sub Debt	1,000	1,000	10,00,000.00	9.60%	12-Sep-24	10,000.00	10,000.00
INE516Q07432	Other Than Sub Debt	750	750	10,00,000.00	9.70%	09-May-24	7,500.00	7,500.00
INE516Q07416	Other Than Sub Debt	730	730	10,00,000.00	11.05%	27-Feb-25	7,300.00	7,300.00
INE516Q08380	Sub Debt	550	550	10,00,000.00	13.50%	31-May-27	5,500.00	5,500.00
INE516Q07382	Other Than Sub Debt	500	-	7,50,000.00	9.22%	30-Mar-25	3,750.00	-
INE516Q08356	Other Than Sub Debt	350	-	3,33,333.00	11.40%	31-Dec-24	1,166.67	-
INE516Q08398	Sub Debt	100	100	1,00,00,000.00	11.25%	03-Oct-28	10,000.00	10,000.00
INE516Q08406	Sub Debt	50	50	1,00,00,000.00	11.25%	25-Nov-28	5,000.00	5,000.00
INE516Q07283	Other Than Sub Debt	-	750	10,00,000.00	10.50%	28-Apr-23	-	7,500.00
INE516Q07291	Other Than Sub Debt	-	450	10,00,000.00	11.00%	29-May-23	-	4,500.00
INE516Q07309	Other Than Sub Debt	-	500	1,66,666.00	11.25%	21-Apr-23	-	833.33
INE516Q07317	Other Than Sub Debt	-	850	10,00,000.00	11.00%	26-Jun-23	-	8,500.00
INE516Q07382	Other Than Sub Debt	-	500	8,80,000.00	9.22%	30-Mar-25	-	4,400.00
INE516Q07390	Other Than Sub Debt	-	606	10,00,000.00	9.65%	13-Jul-23	-	6,060.00
INE516Q07408	Other Than Sub Debt	-	1,726	10,00,000.00	9.71%	29-Jan-24	-	17,260.00
INE516Q08158	Sub Debt	-	150	10,00,000.00	12.42%	28-Jun-23	-	1,500.00
INE516Q08281	Other Than Sub Debt	-	50,000	10,000.00	11.63%	30-May-24	-	5,000.00
INE516Q08356	Other Than Sub Debt	-	350	6,66,666.00	11.40%	31-Dec-24	-	2,333.33
INE516Q08364	Other Than Sub Debt	-	450	3,33,333.00	10.00%	23-Feb-24	-	1,500.00

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

17.5 Details of terms of repayment - term loans from bank and others

As at year ended March 31, 2024

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
	Bullet	7%-9%	-	-	-	-	1	25,000.00	-	-	-	-	-	-
	Monthly	5%-7%	12	5,806.28	-	-	-	-	-	-	-	-	-	-
		7%-9%	20	3,833.33	5	1,041.67	-	-	-	-	-	-	-	-
1 to 3 year		9%-11%	595	2,10,044.27	289	1,06,657.17	42	14,926.50	-	-	-	-	-	-
		11%-13.5%	38	12,542.31	5	3,350.00	-	-	-	-	-	-	-	-
	Quarterly	9%-11%	211	2,34,941.46	113	1,27,235.54	15	15,276.00	-	-	-	-	-	-
		11%-13.5%	4	1,666.67	-	-	-	-	-	-	-	-	-	-
	Half Yearly	11%-13.5%	4	4,225.00	-	-	-	-	-	-	-	-	-	-
	Monthly	9%-11%	4	2,545.45	4	2,545.45	2	1,272.73	-	-	-	-	-	-
Above 3 year	Quarterly	9%-11%	8	8,223.00	8	8,223.00	8	8,223.00	8	8,223.00	4	4,800.00	1	1,200.00
		11%-13.5%	4	8,400.00	4	8,400.00	4	2,400.00	4	2,400.00	-	-	-	-
	Half Yearly	9%-11%	2	200.00	2	200.00	2	200.00	2	200.00	2	200.00	-	-

As at year ended March 31, 2023

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
	Bullet	9%-11%	10	37,445.00	-	-	-	-	-	-	-	-	-	-
		5%-7%	-	-	24	11,612.84	-	-	-	-	-	-	-	-
	Monthly	7%-9%	16	3,354.35	20	3,333.33	-	-	-	-	-	-	-	-
		9%-11%	57	17,756.53	278	90,735.32	189	64,637.99	-	-	-	-	-	-
1 to 3 year		11%-13.5%	13	5,714.29	-	-	29	19,334.00	-	-	-	-	-	-
	Quarterly	7%-9%	-	-	18	24,682.93	-	-	-	-	-	-	-	-
		9%-11%	7	6,325.00	102	1,03,658.33	42	48,045.45	-	-	-	-	-	-
	Half Yearly	9%-11%	4	5,375.00	-	-	-	-	-	-	-	-	-	-
	Monthly	7%-9%	-	-	36	6,250.00	-	-	-	-	-	-	-	-
		9%-11%	-	-	54	6,287.64	63	32,291.67	-	-	-	-	-	-
		11%-13.5%	-	-	56	10,140.96	-	-	-	-	-	-	-	-
Above 3 year	Quarterly	7%-9%	-	-	-	-	30	25,605.33	-	-	-	-	-	-
		9%-11%	-	-	16	10,902.73	-	-	32	18,800.00	-	-	36	39,915.00
		11%-13.5%	-	-	-	-	-	-	-	-	-	-	20	30,000.00
	Half Yearly	11%-13.5%	2	444.00	10	11,100.00	-	-	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

17.6 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt)	Commercial Paper	Total
April 01, 2022	1,75,023.10	3,80,124.05	-	5,55,147.15
Proceeds	39,000.00	5,34,276.00	34,695.67	6,07,971.67
Repayment	(60,567.30)	(2,39,346.00)	(34,695.67)	(3,34,608.97)
Interest expense	16,871.05	40,710.20	476.45	58,057.70
Interest & Transaction cost paid	(13,113.33)	(40,753.89)	(476.45)	(54,343.67)
Fair Value Changes	-	-	-	-
March 31, 2023	1,57,213.52	6,75,010.36	-	8,32,223.88
Proceeds	27,500.00	6,13,687.50	8,355.00	6,49,542.50
Repayment	(54,468.50)	(4,09,528.75)	(8,355.00)	(4,72,352.25)
Interest expense	16,058.72	67,820.37	145.01	84,024.10
Interest & Transaction cost paid	(17,250.24)	(67,891.73)	(145.01)	(85,286.98)
Fair Value Changes	-	-	-	-
March 31, 2024	1,29,053.50	8,79,097.75	-	10,08,151.25

18 Subordinated liabilities

	As at March 31, 2024	As at March 31, 2023
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt	65,130.40	39,401.05
	65,130.40	39,401.05

19 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
(a) Interest payable on assets assigned	4,172.84	3,696.82
(b) Lease liabilities (Also, refer note 34)	12,661.33	10,345.64
(c) Other payables	13,843.61	3,370.58
	30,677.78	17,413.04

20 (a) Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Provision for taxation (net)	-	-
	-	-

20 (b) Provisions (Also, refer note 35)

	As at March 31, 2024	As at March 31, 2023
(a) Provision for compensated absences	590.76	466.49
(b) Provision for gratuity	589.14	581.51
	1,179.90	1,048.00

21 Other non financial liabilities

	As at March 31, 2024	As at March 31, 2023
(a) Statutory dues payable	1,468.62	1,316.45
(b) Other payables	-	583.72
	1,468.62	1,900.17

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

22 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised*		
30,00,00,000.00 equity shares (March 31, 2023 - 9,00,00,000.00) of ₹ 10/- each*	30,000.00	9,000.00
10,00,000 preference shares of ₹ 100/- each*	-	1,000.00
Issued, subscribed and paid up**		
20,02,83,372 shares (as at March 31, 2023 - 62,640,245 shares) of ₹ 10/- each	20,028.34	6,264.02

For each class of equity share capital:	No of equity share	Amount (Equity share) (in ₹ Lakhs)	Remarks
(a) the number and amount of shares authorized*	30,00,00,000	30,000.00	
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;	20,02,83,372	20,028.34	
(c) par value per share;	10		
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;	Details given in Note 1		
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	NA		<p>There are only one class as Equity share.</p> <p>The Company has only one class of equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.</p>
(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;	19,54,85,619	19,548.56	As on March 31, 2024 Holding company Manappuram Finance Limited (Details given as Note 2)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

For each class of equity share capital:	No of equity share	Amount (Equity share) (in ₹ Lakhs)	Remarks
(g) shares in the company held by each shareholder holding more than five percent shares specifying the number of shares held;	19,54,85,619	19,548.56	As on March 31, 2024 Holding company Manappuram Finance Limited (Details given as Note 2)
(h) shares reserved for issue under options and contracts/ commitments for the sale of shares or disinvestment, including the terms and amounts;	NA		
(i) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:			
• Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	NA		
• Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and**	13,35,22,248	13,352.22	
• Aggregate number and class of shares bought back;	NA		
(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;	NA		
(k) calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	NA		
(l) forfeited shares (amount originally paid up)	NA		
(m) An NBFC shall disclose information that enables users of its financial statements to evaluate the NBFC's objectives, policies and processes for managing capital.	NA		

* During the year ended March 31, 2024, the authorized preference share capital was sub-divided from 10,00,000 Preference Shares of ₹ 100 each to 1,00,00,000 Preference Shares of ₹ 10 each. Further the Company reclassified 1,00,00,000 Preference Shares of ₹ 10 each to 1,00,00,000 Equity Shares of ₹ 10 each and during the year ended March 31, 2024, the authorized equity share capital was increased from 10,00,00,000 equity shares of ₹ 10 each amounting to ₹ 10,000 Lakhs to 30,00,00,000 equity shares of INR 10 each amounting to ₹ 30,000 Lakhs which was duly approved by the board in meeting dated August 16, 2023 and by the shareholders of the Company by means of an ordinary resolution dated August 18, 2023.

** i) The Board of Directors at their meeting held on 14th June, 2023 approved rights issue of 41,20,879 equity shares of ₹ 10/- each at a premium of ₹ 354/- per share amounting to ₹ 149,99,99,956/- which was allotted at the Board Meeting held on 30th June, 2023

ii) Post increase of the existing authorised share capital of the company, the Board of Directors at its meeting held on August 16, 2023 had approved the bonus issue of two for every one share held on record date which was approved by the shareholders by means of a special resolution dated August 18, 2023. Through a Board resolution dated August 26, 2023, the Company has allotted 13,35,22,248 equity shares of ₹ 10 each as bonus shares to the existing equity shareholders of the Company.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

A company shall disclose Shareholding of Promoters as below:

Shares held by promoters at the end of the year			% Change during the year***
Promoter name	No. of Shares*	% of total shares	
Manappuram Finance Limited	19,54,85,619	97.60%	0.00%
Mr. V.P Nandakumar**	7,78,209	0.39%	0.00%

* Details shall be given separately for each class of shares

** Pursuant to Board Resolution dated February 13, 2024, based on the current operations and management of the Company and the provisions of the Companies Act, SEBI Regulations and other applicable laws, Mr. V.P Nandakumar has been identified as the individual promoter of the Company.

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Note 1

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	6,26,40,245	6,264.02	5,33,11,887	5,331.19
Issued during the year	13,76,43,127	13,764.31	93,28,358	932.84
Outstanding at the end of the period/year	20,02,83,372	20,028.33	6,26,40,245	6,264.02

Note 2

Class of shares/Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of ₹ 10 each Manappuram Finance Limited (the Holding Company)	19,54,85,619	97.60%	6,11,38,729	97.60%

* No. of shares are in absolute numbers

Note 3 Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Employees Stock Option Scheme (ESOS) (Also, refer note no 52) :

During the year ended March 31, 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from July 01, 2019 ("Relevant Date"). Accordingly 8,30,000 options were issued with a graded vesting period and 17,500 options are outstanding as at March 31, 2024.

23 Other equity

	As at March 31, 2024	As at March 31, 2023
(a) Capital redemption reserve	500.00	500.00
(b) ESOP Contribution	16.93	53.53
(c) Statutory reserve	23,657.55	14,491.48
(d) Securities premium account	81,113.74	79,878.05

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
(e) General reserve	141.64	113.78
(f) Retained Earning (Surplus in statement of profit and loss)	89,695.30	53,031.00
(g) Remeasurement Gain/Loss On Defined Benefit Obligation	(290.59)	(42.98)
(h) OCI (Effective portion of cash flow hedge)	243.85	655.36
(i) Equity Investments Fair valued through other comprehensive income	0.55	0.65
(j) Other Investments Fair valued through other comprehensive income	(270.64)	(512.50)
(k) OCI (Tax related to items that will not be reclassified)	66.51	4.16
(l) OCI (Tax related to items that will be reclassified)	6.76	(35.94)
	1,94,881.60	1,48,136.59

(a) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

(b) ESOP Contribution

Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(c) Statutory reserve

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve on the restated financial information.

(d) Securities Premium Account

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

(e) General reserve

General reserve represents an appropriation of profits by the Company.

(f) Retained Earning (Surplus in statement of profit and loss)

Surplus in statement of profit and loss represents the surplus in Profit and Loss Account and appropriations.

(g) Other comprehensive income (OCI) - Remeasurement Gain/ Loss On Defined Benefit Obligation

Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability.

(h) OCI (Effective portion of cash flow hedge)

Represents remeasurement of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(i) Equity Investments Fair valued through other comprehensive income

Represents the change in equity investments which is fair value through OCI

(j) Other Investments Fair valued through other comprehensive income

Represents the change in other investments which are fair value through OCI

(k) OCI (Tax related to items that will not be reclassified)

Represents the tax relating to items that will not be reclassified

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(l) OCI (Tax related to items that will be reclassified)

Represents the tax relating to items that will be reclassified

	As at March 31, 2024	As at March 31, 2023
(a) Capital redemption reserve		
Opening balance	500.00	500.00
Add: Additions during the year	-	-
Less: Utilised/transferred during the year	-	-
Closing balance	500.00	500.00
(b) ESOS Contribution (Refer Note No. 52)		
Opening balance	53.53	143.96
Add/(Less) : (Reversal)/Contribution during the year	0.64	(21.02)
Less : Adjustment for Forfeiture and Expiration	(37.24)	(69.41)
Less : Utilised during the year	-	-
Closing balance	16.93	53.53
(c) Statutory reserve		
Opening balance	14,491.48	10,022.90
Add: Additions during the year (Also, refer note no 50)	9,166.07	4,468.58
Less: Utilised/transferred during the year	-	-
Closing balance	23,657.55	14,491.48
(d) Securities premium account		
Opening balance	79,878.05	55,810.89
Add : Premium on right shares issued during the year	14,587.91	24,067.16
Less : Utilised for issuance of bonus shares during the year	(13,352.22)	-
Closing balance	81,113.74	79,878.05
(e) General reserve		
Opening balance	113.78	61.84
Add: Transferred from surplus in statement of profit and loss	-	-
Less: Utilised/transferred during the year	-	-
Add : Adjustment for Forfeiture and Expiration ESOP	37.24	69.41
Less: Adjustment for Deferred Tax	(9.38)	(17.47)
Closing balance	141.64	113.78
(f) Retained Earning (Surplus in statement of profit and loss)		
Opening balance	53,031.00	35,156.68
Add/(Less) : Profit for the year	45,830.37	22,342.90
Less: Restatement Impact	-	-
Less: Transfer to Statutory Reserve	(9,166.07)	(4,468.58)
Closing balance	89,695.30	53,031.00
(g) Remeasurement Gain/Loss On Defined Benefit Obligation		
Opening balance	(42.98)	6.68
Add/(Less): Effect for the year	(247.61)	(49.66)
Less: Transfer to Statutory Reserve	-	-
Closing balance	(290.59)	(42.98)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
(h) OCI (Effective portion of cash flow hedge)		
Opening balance	655.36	355.39
Add/(Less): Effect for the year	(411.51)	299.97
Closing balance	243.85	655.36
(i) Equity Investments Fair valued through other comprehensive income		
Opening balance	0.65	0.65
Less: Effect for the year	(0.10)	-
Closing balance	0.55	0.65
(j) Investments Fair valued through other comprehensive income		
Opening balance	(512.50)	(277.70)
Less: Effect for the year	241.86	(234.80)
Closing balance	(270.64)	(512.50)
(k) OCI (Tax related to items that will not be reclassified)		
Opening balance	4.16	(8.34)
Less: Effect for the year	62.35	12.50
Closing balance	66.51	4.16
(l) OCI (Tax related to items that will be reclassified)		
Opening balance	(35.94)	(19.54)
Less: Effect for the year	42.70	(16.40)
Closing balance	6.76	(35.94)
TOTAL	1,94,881.60	1,48,136.59

24 (a) Interest income (at Amortised Cost)

	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest income from loan:		
- Interest on loan- microfinance loans	2,26,855.05	1,39,569.50
- Interest on loan- MSME & Gold loans	18,714.93	10,860.99
(ii) Interest on deposits with banks and financial institutions	5,838.77	4,093.29
(iii) Other interest income	-	-
	2,51,408.75	1,54,523.78

24 (b) Net gain on derecognition of financial instruments under amortised cost category

	Year ended March 31, 2024	Year ended March 31, 2023
Net gain on derecognition of financial instruments under amortised cost category	14,250.01	10,369.52
	14,250.01	10,369.52

25 Other operating income

	Year ended March 31, 2024	Year ended March 31, 2023
Loss assets recovered	2,472.68	6,626.23
	2,472.68	6,626.23

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

26 Other income

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Referral fees	4,568.55	4,052.00
(b) Miscellaneous income	494.20	356.11
	5,062.75	4,408.11

27 Finance cost

Finance cost on financial liability measured at amortised cost

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest on borrowings		
- Term Loans from banks	65,567.85	36,711.51
- Term Loans from NBFCs	3,992.06	3,669.91
- Borrowings under securitisation arrangement	3,971.07	224.90
- Other financial institutions	580.00	1,893.44
- Commercial paper	146.64	479.00
- Overdraft	127.20	334.83
(b) Interest on debt securities		
- Debentures & subordinated liabilities	16,881.43	17,340.40
(c) Other interest expense		
- Interest on finance lease obligations	1,490.40	1,196.89
(d) Other Borrowing Costs		
- Loan processing fees	167.87	575.40
- Bank charges	1,816.80	558.48
	94,741.32	62,984.76

28 Impairment of financial instruments (Also, refer note 7.4)

	Year ended March 31, 2024	Year ended March 31, 2023
Loans	43,695.14	27,353.63
Investments	2,098.16	-
Other Financial Assets	579.65	14.80
	46,372.95	27,368.43
Less : Exceptional item	-	-
	46,372.95	27,368.43

29 Employee benefit expenses

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries and wages	44,544.26	35,110.52
(b) Contributions to provident and other funds	3,924.92	3,816.16
(c) Gratuity expenses (Also, refer note 35)	576.24	667.52
(d) Staff welfare expenses	(207.35)	90.76
(e) ESOP Expenses (Refer Note No. 52)	0.64	(21.02)
	48,838.71	39,663.94

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

30 Depreciation and amortisation expense (Also, refer note 12)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Depreciation of tangible assets	1,652.43	973.31
(b) Amortization of other intangible assets	529.26	139.44
(c) Amortization of right of use asset	2,894.55	2,284.39
	5,076.24	3,397.14

31 Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Electricity	509.24	319.54
(b) Rent (Also, refer note 34)	331.17	184.71
(c) Repairs and maintenance	132.67	178.01
(d) Insurance	1,015.32	359.27
(e) Rates and taxes	287.38	170.95
(f) Communication expenses	1,090.84	927.66
(g) Travel and conveyance	5,851.40	4,635.71
(h) Printing and stationery	572.62	305.01
(i) Directors' sitting fees (Also, refer note 36)	71.66	51.27
(j) Business promotion	465.81	418.81
(k) CSR expenses (Also, refer note 48)	241.63	239.73
(l) Legal and professional fees	1,314.68	782.88
(m) Provision for insurance claim receivable	(82.67)	(176.24)
(n) Subscription charges	81.81	30.70
(o) Software costs (Also, refer note 36)	2,202.39	1,432.27
(p) Security charges	25.31	(1.95)
(q) House keeping expenses	231.07	206.84
(r) Office expenses	696.46	229.49
(s) Directors commission (Also, refer note 36)	183.97	120.00
(t) Payments to statutory auditors' (net of input tax credit)		
- Statutory audit	26.95	21.50
- Tax audit	2.73	1.50
- Other services (Limited Review, Interim Audit and Certification)	11.28	16.35
- Out of pocket expenses	31.16	27.70
(u) Miscellaneous expenses	706.61	939.02
	16,001.49	11,420.73

32 Segment reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. Microfinance Loans. The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions and are identified as being the CODM. The allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations and no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

33 Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Net Profit attributable to Equity Shareholders - ₹ in Lakhs (Basic and Diluted)	45,830.37	22,342.90
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)*	19,72,43,379.30	17,40,43,205.15
(c) Earnings per share - Basic ₹ (Per equity share, face value ₹ 10/- each)	23.24	12.84
(d) Weighted average number of equity shares in calculating Diluted Earnings Per Share (Nos.)*	19,72,47,091.42	17,40,43,205.15
(e) Earnings per share - Diluted - ₹ (Per equity share, face value ₹ 10/- each)	23.24	12.84

* The Board of directors of the Company at its meeting held on August 16, 2023, considered and approved issue of 2 bonus equity shares of face value of ₹ 10/- each against 1 equity share of the face value of ₹ 10 each. The shareholders in their meeting held on August 18, 2023, have approved the issue of bonus shares and through a Board resolution dated August 26, 2023, the Company has allotted equity shares as bonus shares to the existing equity shareholders of the Company. The Company has adjusted earning per share for all the periods presented as per Ind AS 33. The impact of bonus shares on the rights issue is considered from the date when the shares under rights issue were allotted.

34 Leases

Details of Income/Expense recognised in the statement of Profit and Loss :

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense on right-of-use assets	2,894.55	2,284.39
Interest expense on lease liabilities	1,490.40	1,196.89
Total cash outflow for leases	3,342.17	2,567.95
Lease expense on Low Value Assets / Short term assets	331.17	184.71
	8,058.29	6,233.94

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

	Year ended March 31, 2024	Year ended March 31, 2023
Year 1	1,108.32	869.95
Year 2	1,916.75	2,971.92
Year 3	1,661.92	1,721.68
Year 4	2,876.78	444.91
Year 5	3,291.49	3,361.18

35 Employee benefits

35.1 Defined contribution plan

- (a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(b) Expenses recognised

	Year ended March 31, 2024	Year ended March 31, 2023
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)		
Contributions to provident and pension funds	3,055.62	2,989.57
Contributions to Employee State Insurance	869.30	826.59
	3,924.92	3,816.16

35.2 Compensated absences

Expenses recognised

	Year ended March 31, 2024	Year ended March 31, 2023
Included under salaries and wages (Refer Note 29)	186.74	29.02
	186.74	29.02

	Year ended March 31, 2024	Year ended March 31, 2023
Current portion	205.63	136.56
Non - current portion	385.13	329.93
Net liability/(asset) recognised in the balance sheet	590.76	466.49

The key assumptions used in the computation of provision for compensated absences are as given below:

	As at March 31, 2024	As at March 31, 2023
Discount Rate (% p.a)	6.90%	7.10%
Future Salary Increase (% p.a)	10.00%	10.00%
Attrition Rate (i) below 35 years	35.00%	35.00%
(ii) above 35 years	20.00%	20.00%

35.3 Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

	As at March 31, 2024	As at March 31, 2023
Amounts recognised in statement of profit & loss		
Service cost		
- Current service cost	544.66	655.27
- Past service cost	-	-
- Net interest expense	31.58	12.25
Components of defined benefit costs recognised in statement of profit or loss (A)	576.24	667.52

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Amounts recognised in statement of other comprehensive income		
Actuarial (gain)/loss on Plan Obligations	298.06	463.79
Difference between actual return and interest income on plan assets- (gain)/loss	(50.45)	(414.13)
Components of defined benefit costs recognised in other comprehensive income (B)	247.61	49.66
TOTAL	823.85	717.18

- (i) The current service cost and interest expense for the year are included in the Note 29 - Employee benefit expenses in the statement of profit & loss under the line contribution to provident and other funds.
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (iii) The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit credit method.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	2,784.35	2,455.44
Fair value of plan assets	2,195.21	1,873.93
Net (Liability) recognised in the balance sheet	(589.14)	(581.51)
Current portion of the above	-	-
Non current portion of the above	(589.14)	(581.51)
	(589.14)	(581.51)

(c) Movement in the present value of the defined benefit obligation are as follows :

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation at the beginning of the year	2,455.44	1,424.67
Expenses recognised in profit and loss account		
- Current Service cost	544.66	655.27
- Past Service Cost	-	-
- Interest expense (income)	174.34	93.03
Remeasurement gains / (losses)	-	-
- Effect of Changes in Demographic assumptions	-	(252.07)
- Effect of Changes in financial assumptions	41.11	(62.04)
- Effect of experience adjustments	256.95	777.90
Benefit payments	(884.72)	(411.58)
Effect of transfer of employees from Holding Company	196.57	230.26
Present value of defined benefit obligation at the end of the year	2,784.35	2,455.44

- (i) The weighted average duration of the benefit obligation at March 31, 2024 is 2.5 years (at March 31, 2023 is 2.0 years)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(d) Movement in fair value of plan assets are as follows :

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	1,873.93	777.84
expenses recognised in profit and loss account		
- Expected return on plan assets	142.76	80.78
Remeasurement gains / (losses)	-	-
- Actuarial gains/(loss) arising form changes in financial assumptions	50.45	414.13
Contributions by employer (including benefit payments recoverable)	816.22	782.50
Benefit payments	(884.72)	(411.58)
Effect of transfer of employees from Holding Company	196.57	230.26
Fair value of plan assets at the end of the year	2,195.21	1,873.93

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows :

	As at March 31, 2024	As at March 31, 2023
Investment funds with insurance company (Life Insurance Corporation of India)	2,195.21	1,873.93

- (i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.
- (ii) The actual return on plan asset as for the year ended March 31, 2024 was ₹ 193.21 Lakhs (for the year ended March 31, 2023 was ₹ 494.91 Lakhs)

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	6.90%	7.10%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate		
(i) below 35 years	35.00%	35.00%
(ii) above 35 years	20.00%	20.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

- The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.
- The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.
- In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversified.

Risks associated with plan provisions

Investment risk:

The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Interest risk:

A decrease in the yield of Indian government securities will increase the plan liability.

Longevity risk:

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

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

35.4 Defined benefit plans (continued)

Risks associated with plan provisions (continued)

Sensitivity analysis:

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Discount rate		
- Increase by 50 bps	(57.68)	(51.32)
- Decrease by 50 bps	62.33	55.47
(b) Salary growth rate		
- Increase by 50 bps	59.93	53.44
- Decrease by 50 bps	(56.59)	(50.46)
(c) Withdrawal rate		
- Increase by 50 bps	(18.03)	(14.84)
- Decrease by 50 bps	19.04	15.64
(d) Mortality rate		
- Increase in Expected life time by one year	0.20	0.25
- Increase in Expected life time by three years	0.60	0.63

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(g) Effect of plan on entity's future cash flows

- (i) The Company expects to make a contribution of ₹ 800 Lakhs during FY 2024-25.
- (ii) The weighted average duration of the benefit obligation at March 31, 2024 is 2.5 years (at March 31, 2023 is 2.0 years)
- (iii) Maturity profile of defined benefit obligation:

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Expected cash flows over the next (valued on undiscounted basis):

	As at March 31, 2024	As at March 31, 2023
Within 1 year	800.00	550.00
1 to 5 years	N/A	N/A
More than 5 years	N/A	N/A

Experience Adjustments

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	2,784.35	2,455.44
Fair value of plan assets	2,195.21	1,873.93
Surplus/(deficit)	(589.14)	(581.51)
Experience adjustment on plan liabilities [Gain/(Loss)]	(298.06)	(463.79)
Experience adjustment on plan assets [Gain/(Loss)]	50.45	414.13

36 Related party transactions

36.1 Names of related parties and nature of relationship

Nature of relationship	Name of the party
Key Management Personnel (KMP) of the company	Mr. BN Raveendra Babu - Managing Director
	Mr. V P Nandakumar - Chairman
	Mr. A Ramanathan - Independent Director
	Mr. Yogesh Ratnakar Udhoji - Chief Financial Officer (upto May 16, 2022)
	Mr. Rajesh KRN Namboodiripad - Chief Financial Officer (w.e.f. May 17, 2022)
	Mr. Abhijit Sen - Independent Director
	Mr. Desh Raj Dogra - Independent Director
	Mr. Gautam Rathindranath Saigal - Non Independent Director
	Ms. Sumitha Nandan - Non Independent Director (w.e.f. September 22, 2023 till February 13, 2024)
	Ms. Pushya Sitaraman - Independent Director
	Mr. Subrata Kumar Atindra Mitra - Independent Director
	Mr. T. Balakrishnan - Independent Director
	Mr. T.M. Manoharan - Independent Director (Upto 15 July, 2023)
	Mr. Harshan Kollara - Independent Director
	Ms. Anita Belani - Independent Director (w.e.f. January 23, 2023)
Mr. S V Raja Vaidyanathan - Non Independent Director	
Ms. Aparna Menon - Company Secretary	
Holding company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Vivriti Capital Limited (w.e.f. January 23, 2023)
	Infomerics valuation and Rating Private Limited
	Proficient investment and financial consultancy Private Limited
Group Entities	Manappuram Comptech and Consultants Limited
	Manappuram Foundation
Beneficial Related Party within the Group Companies	Manappuram Insurance Brokers Ltd (w.e.f. April 01, 2023)*

Note: Related party relationships are as identified by the Management.

* The party has been identified as the related party transaction pursuant to change in the definition of related party as stated in section 2 sub-section (zc) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. A listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

36.2 A. Transactions with the related parties

Nature	Name of the party	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration to KMP	Mr. BN Raveendra Babu	144.34	137.50
	Mr. Yogesh Ratnakar Udhoji	-	18.60
	Mr. Rajesh KRN Namboodiripad	31.64	30.70
	Ms. Aparna Menon	17.80	16.50
Donation	Manappuram Foundation	395.95	379.85
Issue of Right Shares (Including Securities Premium)*	Manappuram Finance Limited	14,644.24	24,529.70
	Mr. S V Raja Vaidyanathan	217.43	95.37
	Mr. V P Nandakumar	58.28	268.00
	Mr. A Ramanathan	8.01	10.72
	Mr. D.R. Dogra	40.86	49.85
	Mr. Gautam Saigal	11.54	19.22
	Mr. BN Raveendra Babu	14.12	23.53
	Issue of Bonus Shares (Ratio 2:1)	Manappuram Finance Limited (13,03,23,746 Shares)	-
	Mr. S V Raja Vaidyanathan (22,39,468 Shares)	-	-
	Mr. V P Nandakumar (5,18,806 Shares)	-	-
	Mr. A Ramanathan (76,400 Shares)	-	-
	Mr. D.R. Dogra (59,648 Shares)	-	-
	Mr. Gautam Saigal (1,02,670 Shares)	-	-
	Mr. BN Raveendra Babu (1,25,644 Shares)	-	-
Term Loan	Manappuram Finance Limited	12,000.00	13,000.00
Sub-debt	Manappuram Finance Limited	15,000.00	-
Rent & other amenities	Manappuram Finance Limited	39.61	12.49
	Proficient Investment And Financial Consultancy Pvt Ltd	-	2.39
Reimbursement of Expense	Manappuram Finance Limited	71.66	-
Rent receivable (Including Reimbursement)	Manappuram Finance Limited	13.86	2.44
Rating fee payable	Infomercs valuation and Rating Private Limited	74.68	-
Training expenses	Manappuram Finance Limited	66.23	74.52
Interest Expense	Vivriti Capital Limited	147.85	89.19
	Manappuram Finance Limited	1,961.94	761.03
Purchase of software	Manappuram Comptech and Consultants Limited	1,191.89	425.16
Software expense	Manappuram Comptech and Consultants Limited	1,104.56	1,167.14
Sitting fees	Mr. A Ramanathan	4.88	4.97
	Mr. Abhijit Sen	8.77	5.83
	Mr. D.R. Dogra	8.28	5.53
	Mr. Gautam Saigal	8.59	5.40
	Ms. Pushya Sitaraman	5.70	3.87
	Mr. Subrata Kumar Atindra Mitra	5.13	2.88
	Mr. T. Balakrishnan	8.38	5.32
	Mr. T.M. Manoharan	-	1.16

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Nature	Name of the party	Year ended March 31, 2024	Year ended March 31, 2023
Commission (Excluding GST)	Mr. Harshan Kollara	7.35	4.30
	Ms. Anita Belani	4.29	0.60
	Mr. S V Raja Vaidyanathan	10.10	7.28
	Mr. A Ramanathan	1.90	11.10
	Mr. D.R. Dogra	22.05	15.45
	Mr. Subrata Kumar Atindra Mitra	20.20	16.30
	Mr. Abhijit Sen	15.80	11.20
	Mr. Gautam Saigal	19.77	13.73
	Ms. Pushya Sitaraman	19.77	13.73
	Mr. T. Balakrishnan	19.77	13.73
	Mr. Harshan Kollara	19.30	11.20
	Ms. Anita Belani	14.32	2.46
	Mr. S V Raja Vaidyanathan	15.90	11.10
	Mr. BN Raveendra Babu	60.00	60.00

* The Board approved the Right issue of 41,20,879 Equity Shares of ₹ 10 each fully paid up at ₹ 364 per share at the meeting held on June 30, 2023 and the Right issue of 93,28,358 Equity Shares of ₹ 10 each fully paid up at ₹ 268.00 per share at the meeting held on September 29, 2022.

B. Transactions of the beneficial related party

Nature	Name of the party	As at March 31, 2024
Insurance Commission on insurance premium paid by Asirvad Micro Finance Limited	Manappuram Insurance Brokers Ltd	15.92

36.3 Balance as at year end

Nature	Name of the party	Year ended March 31, 2024	Year ended March 31, 2023
Interest on loan payable	Manappuram Finance Limited	1,484.08	-
Training expense payable	Manappuram Finance Limited	66.23	-
Rent receivable	Manappuram Finance Limited	-	2.44
Software expense payable	Manappuram Comptech and Consultants Limited	30.07	33.54
Performance incentive payable	Mr. BN Raveendra Babu	60.00	60.00
Commission payable	Mr. A Ramanathan	-	11.10
	Mr. D.R. Dogra	19.50	15.45
	Mr. Subrata Kumar Atindra Mitra	17.50	16.30
	Mr. Abhijit Sen	14.00	11.20
	Mr. Gautam Saigal	17.50	13.73
	Ms. Pushya Sitaraman	17.50	13.73
	Mr. T. Balakrishnan	17.50	13.73
	Mr. Harshan Kollara	17.50	11.20
	Ms. Anita Belani	14.00	2.46
	Mr. S V Raja Vaidyanathan	14.00	11.10

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Note:

- The Company accounts for costs incurred by/on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.
- The Related Parties have confirmed to the Management that as at year ended March 31, 2024 and March 31, 2023 there are no further amounts payable to/receivable from them, other than as disclosed above.
- The above compensation to key management personnel includes value of perquisites and excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.
- The transactions during the period are Inclusive of GST except for commission.

36.4 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
Loans and advances in the nature of loans				
From Holding Company	15,000	40,000	13,000	13,000
To Fellow Subsidiaries	-	-	-	-
To Associates	-	-	-	-
Where there is	-	-	-	-
No Repayment Schedule	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-
No Interest	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-
To Firms/Companies in which directors are interested (Other the (a) and (b) above)	-	-	-	-
Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

36.5 Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) [“the Master Direction”]

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total
	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023	
Borrowings	15,000.00	13,000.00	-	-	-	-	-	-	-	-	-	15,000.00	13,000.00
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Finance Limited	1,961.94	761.03	-	-	-	-	-	-	-	-	-	1,961.94	761.03
Vivriti Capital Limited	-	-	-	-	-	-	-	-	147.85	-	89.19	147.85	89.19
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation (Manappuram Foundation)	-	-	-	-	-	-	-	-	395.95	-	379.85	395.95	379.85
Purchase of software (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	1,191.89	-	425.16	1,191.89	425.16
Software expense (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	1,104.56	-	1,167.14	1,104.56	1,167.14

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

37 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share capital and other equity. Debt includes term loans from banks, NBFC and debentures net of cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing ratio :

	As at March 31, 2024	As at March 31, 2023
Borrowings	10,00,690.14	8,42,609.57
Cash and bank balance	(96,254.64)	(54,992.15)
Net debt (A)	9,04,435.50	7,87,617.42
Equity share capital	20,028.34	6,264.02
Other equity	1,94,881.60	1,48,136.59
Total equity (B)	2,14,909.94	1,54,400.61
Net debt to equity ratio (A/B)	4.21	5.10

38 Categories of financial instruments

The carrying value and fair value of the financial instruments by categories are as follows:

	Carrying Value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(a) Financial assets				
Measured at amortised cost				
- Loans	10,29,534.74	8,66,889.56	10,29,534.74	8,66,889.56
- Cash and cash equivalents	96,254.64	54,992.15	96,254.64	54,992.15
- Bank balance other than above	37,196.96	33,678.78	37,196.96	33,678.78
- Other financial assets	13,826.85	12,283.84	13,826.85	12,283.84
- Loan given to staff	153.07	20.12	153.07	20.12
Measured at fair value through OCI				
- Investments	19,493.07	10,201.61	19,493.07	10,201.61
Measured at fair value through Profit or Loss				
- Investments	18,833.06	9,504.72	18,833.06	9,504.72
Hedge accounting				
- Derivative financial instruments	1,356.72	2,629.80	1,356.72	2,629.80
Total	12,16,649.11	9,90,200.57	12,16,649.11	9,90,200.57
(b) Financial liabilities :				
Measured at amortised cost				
- Debt securities	61,989.07	1,15,847.95	61,989.07	1,15,847.95
- Borrowings (other than debt security)	8,73,570.67	6,87,360.56	8,73,570.67	6,87,360.56
- Subordinated liabilities	65,130.40	39,401.05	65,130.40	39,401.05
- Trade payables	2,121.53	1,786.82	2,121.53	1,786.82
- Derivative financial instruments	-	-	-	-
- Other financial liabilities	30,677.78	17,413.04	30,677.78	17,413.04
Hedge accounting				
- Derivative financial instruments				
Total	10,33,489.45	8,61,809.42	10,33,489.45	8,61,809.42

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

The management assessed that fair value of loans, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables, derivative financial instrument and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

(a) Credit risk

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

(i) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans and other financial assets	Low credit risk	Life time expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss

Financial assets that expose the entity to credit risk

Particulars	Nature	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents (excluding cash on hand)	Low credit risk	94,911.53	51,795.32
Bank balance other than cash and cash equivalents	Low credit risk	37,196.96	33,678.78
Loans	Low credit risk	9,89,131.65	8,39,065.00
Loans	Moderate credit risk	18,833.33	16,509.55
Loans	High credit risk	21,722.83	11,335.13
Investments	Low credit risk	38,326.13	19,706.33
Other financial assets	Low credit risk	13,826.85	12,283.84

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Other financial assets

Other financial assets measured at amortized cost includes security deposits, receivable on assignment, advances recoverable on behalf of business correspondence arrangements, insurance claim receivables and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans and other financial assets mentioned below as the maturity is within twelve months from the balance sheet date.

Particulars	Cash and cash equivalents	Other bank balance	Loan given to staff	Investments	Other financial assets
As at March 31, 2024					
Estimated gross carrying amount	96,254.64	37,196.96	154.06	40,424.29	14,406.50
Less: Expected credit losses	-	-	0.99	2,098.16	579.65
Net carrying amount	96,254.64	37,196.96	153.07	38,326.13	13,826.85
As at March 31, 2023					
Estimated gross carrying amount	54,992.15	33,678.78	20.13	19,706.33	12,283.84
Less: Expected credit losses	-	-	0.01	-	14.80
Net carrying amount	54,992.15	33,678.78	20.12	19,706.33	12,269.04

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2022	5,02,773.86	64,628.81	10,832.18
Assets originated*	3,85,726.80	(753.81)	58,667.00
Net transfer between stages	-	-	-
Transfer to stage 1	-	(1,011.05)	(92.90)
Transfer to stage 2	(15,179.10)	-	(227.00)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Transfer to stage 3	(26,232.00)	(44,683.74)	-
Assets derecognised or collected (excluding write offs)	(27.00)	(58.81)	(31,077.80)
Write - offs (including death cases)	(1.89)	(0.96)	(11,218.00)
Gross carrying amount as at March 31, 2023	8,47,060.67	18,120.44	26,883.48
Assets originated*	2,09,985.25	17,410.92	37,938.48
Net transfer between stages	-	-	-
Transfer to stage 1	-	(195.76)	(10.96)
Transfer to stage 2	(15,748.20)	-	(22.36)
Transfer to stage 3	(31,585.77)	(2,563.57)	-
Assets derecognised or collected (excluding write offs)	(10,616.40)	(7,497.28)	(9,485.47)
Write - offs (including death cases)	(32.41)	(5,177.20)	(11,291.69)
Gross carrying amount as at March 31, 2024	9,99,063.14	20,097.55	44,011.48

* Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at 01 April 2022	7,393.49	19,108.86	8,872.00
Increase of provision due to assets originated during the year	(12,641.35)	(30,076.67)	40,741.82
Net transfer between stages	-	-	-
Transfer to stage 1	-	(147.39)	(69.50)
Transfer to stage 2	1,022.27	-	(159.18)
Transfer to stage 3	12,221.59	12,734.74	-
Assets derecognised or collected (excluding write offs)	(0.34)	(8.54)	(24,862.26)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	(0.05)	(0.14)	(8,974.44)
Gross carrying amount as at March 31, 2023	7,995.61	1,610.86	15,548.44
Increase of provision due to assets originated during the year	23,292.85	6,881.48	17,535.61
Net transfer between stages	-	-	-
Transfer to stage 1	-	12.70	4.19
Transfer to stage 2	(834.87)	-	4.31
Transfer to stage 3	(15,306.19)	(997.39)	-
Assets derecognised or collected (excluding write offs)	(5,198.42)	(3,694.97)	(5,087.70)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	(17.49)	(2,548.46)	(5,716.20)
Gross carrying amount as at March 31, 2024	9,931.49	1,264.22	22,288.65

(#) If the probability of default increases or decrease by 10 basis point the expected credit loss will increase or decrease by ₹ 506.05 Lakhs (as at March 31, 2023 ₹ 400.66 Lakhs).

Similarly if the loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 491.74 Lakhs (as at March 31, 2023 ₹ 336.94 Lakhs).

(III) Concentration of loans (*)

Particulars	As at March 31, 2024	As at March 31, 2023
Micro finance loans	9,65,660.40	8,17,636.80
Micro, small and medium enterprise (MSME)	8,543.82	3,895.78
Gold loans	88,814.88	70,511.89
Total	10,63,019.10	8,92,044.47

(*) The above figures represents the gross loan value along with interest accrued

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(b) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot 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 maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Refer Note 42.19 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(c) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	As at March 31, 2024	As at March 31, 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	3,473.00	2,348.22
Interest rates – decrease by 0.50%	(3,473.00)	(2,348.22)

* Holding all other variables constant

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Interest Rate risk, Currency risk hedging policy.

The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk hedging policy.

The Company's exposure of foreign currency risk (Euros) at the end of the reporting period expressed in ₹ are as follows:

Hedged	Impact on profit an loss account	
	As at March 31, 2024	As at March 31, 2023
USD Sensitivity		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-
EURO Sensitivity		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-

Particular	Impact on other comprehensive income	
	As at March 31, 2024	As at March 31, 2023
USD Sensitivity		
Hedging Instrument		
INR/USD - Increase by 1%*	108.40	135.27
INR/USD - Decrease by 1%*	(108.40)	(135.27)
Hedged Item		
INR/USD - Increase by 1%*	(100.05)	(123.33)
INR/USD - Decrease by 1%*	100.05	123.33
EURO Sensitivity		
Hedging Instrument		
INR/USD - Increase by 1%*	-	227.44
INR/USD - Decrease by 1%*	-	(227.44)
Hedged Item		
INR/USD - Increase by 1%*	-	(224.02)
INR/USD - Decrease by 1%*	-	224.02

Unhedged

* represents the notional amount of the derivative financial instrument

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

40 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended March 31, 2024 and March 31, 2023 are furnished below:

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

41 Contingent Liabilities and commitments

Particulars	As at March 31, 2024	As at March 31, 2023
A. Contingent liabilities:		
(a) Claims against the company not acknowledged as debt;	-	-
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the company is contingently liable [refer (i) below]	6,907.07	7,079.65
(i) Income Tax		
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91
- Income Tax (A.Y. 2017-18)	1,348.79	1,521.37
- Income Tax (A.Y. 2020-21)	1,953.49	1,953.49
- Income Tax (A.Y. 2021-22)	501.38	501.38
	6,907.07	7,079.65
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Other Intangible Assets	-	-
(b) Uncalled liability on shares and other investments partly paid;	-	-
(c) Other commitments (specify nature).	-	-
	-	-

A) Income Tax

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 1,124.50 lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However in the FY 2017-18 the Company has paid an amount of ₹ 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 1,978.91 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly company has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that company had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 1,424.27 Lakhs in this regard. Company had received advice from tax counsel to contest the above demand as the company's accounting of transactions is in line with RBI's extant guidelines. In another case relating to disallowance of Demonetized currencies deposited to bank account subsequent to 8th November 2016 and Assessing officer added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 97.09 Lakhs in this regard. Company has created a provision to the tune of ₹172.57 lakhs for the same.

Income Tax (A.Y. 2020-21)

During the FY 2022-23, the Company has received an Assessment order under Section 143(3) for the AY 2020-21 with demand of ₹ 2,134.4 Lakhs by disallowing expenses and ICDS adjustment aggregating to the tune of ₹ 8,511.87 Lakhs under section 41, 43B, 36(1)(va) and 36(1)(viiia) w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and ICDS Adjustments.

The Company has filed appeal against the demand with the Commissioner of Income Tax - Appeals. Based on the professional advice, the company strongly believe that majority of the disallowance will be decided in their favour and hence no provision has been considered except in case of bonus and ICDS Adjustments for which provision of ₹ 180.90 lakhs is considered in the books of accounts.

Income Tax (A.Y. 2021-22)

During the FY 2022-23, the Company has received an Assessment order under Section 143(1) for the AY 2021-22 with demand of ₹ 557.4 Lakhs by disallowing expenses and recovery of bad and doubtful debts aggregating to the tune of ₹ 1,560.6 Lakhs under section 43B, 36(1)(va) and 41 w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and recovery of bad and doubtful debts etc.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Vide order dated 27.12.2023, the CIT-Appeals has disposed the appeal. However, in the said order, CIT Appeals has only disposed the matters relating to payment u/s 43B (bonus, leave encashment, gratuity) and delayed payment of PF/ESI. The matter relating to addition u/s 41 has not been disposed off in the order. The Company has filed appeal against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that majority of the disallowance and deemed income will be decided in their favour and hence no provision has been considered except for disallowance w.r.t bonus and gratuity u/s 43B for which provision amounting ₹55.98 Lakhs is considered in the books of accounts.

42 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. 10 November 2014

42.1 Details of registration with financial regulators

Regulator	Registration No.
Ministry of Company Affairs	CIN:U65923TN2007PLC064550
Reserve Bank of India	N-07-00769 dated 4 October 2013

42.2 Disclosure of penalties imposed by RBI and other regulators

There are no penalty imposed by Reserve Bank of India and other regulators for the year ended March 31 , 2024, March 31, 2023, except for the following:

For the Year Ended 31 March, 2023

Regulator	Reason	Amount (In Rupees)
SEBI	Fine for ISIN- INE516Q07309 under Regulation 60(2)	11,800.00
SEBI	Fine for ISIN- INE516Q08364 under Regulation 57(1)	3,540.00

42.3 Related party transactions

Details of all material related party transactions are disclosed in Note 36.

42.4 Remuneration of directors (other than Managing Director)

Details of commission payable to directors (other than managing director) are disclosed in Note 36.

42.5 Concentration of advances, exposures and NPA's

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from ₹ 10,000 to ₹ 1,00,000 to women engaged in various income generating activities. As at March 31,2024, the company has provided loans to more than 39.11 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

42.6 Ratings assigned by credit rating agencies

Particulars	Amount Rated (In Lakhs)*	Year ended March 31, 2024	Year ended March 31, 2023
Commercial paper	40,000	Crisil A1+	Crisil A1+
Bank Loan Facilities	8,00,000	Crisil AA-/Stable	Crisil AA-/Stable
Long Term Bank Facilities	1,50,000	Care AA- /Stable	NA
Long term Non-Convertible Debentures	53,700	Crisil AA-/Stable	Crisil AA-/Stable
MFI Grading	NA	CARE MFI-1	CARE MFI-1
Subordinated Debt	91,000	Crisil AA-/Stable	Crisil AA-/Stable
COCA report	NA	CARE C1	M1C1-SMERA
Market Linked Debentures	52,550	Crisil PPMLD AA-/Stable	Crisil PPMLD AA-/Stable

*Amount rated is as on March 31, 2024.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

42.7 Sector-wise NPAs:

	As at March 31, 2024	As at March 31, 2023
Agriculture & allied activities	3.63%	2.34%
MSME	6.09%	3.73%
Corporate borrowers	NA	NA
Services	8.02%	7.33%
Unsecured personal loans	14.67%	23.15%
Auto loans (commercial vehicles)	NA	NA
Other loans	1.72%	2.81%

42.8 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

	Year ended March 31, 2024	Year ended March 31, 2023
Provision for income tax (excluding deferred tax)	19,448.50	6,318.30
Provision towards standard assets	2,214.01	(16,881.74)
Provision towards non performing assets	44,158.94	44,250.17
Provision and contingencies on gratuity	576.24	667.52
Provision towards compensated absences	186.74	(151.71)
Provision for insurance claim receivable	(82.67)	(176.24)
Provision for Receivable from Resigned Staff	2,614.55	14.80
	69,116.31	34,041.10

42.9 Movement of NPAs

	Year ended March 31, 2024	Year ended March 31, 2023
Net NPAs to net advances (%)	1.71%	1.15%
Movement of NPAs (Gross)		
(a) Opening balance	25,190.64	9,607.96
(b) Additions during the year	64,143.83	66,315.12
(c) Reductions during the year	(49,019.03)	(50,732.44)
(d) Closing balance	40,315.44	25,190.64
Movement of Net NPAs		
(a) Opening balance	10,111.20	1,711.08
(b) Additions during the year	22,256.52	22,064.95
(c) Reductions during the year	(14,321.96)	(13,664.83)
(d) Closing balance	18,045.76	10,111.20
Movement of provisions for receivables under financing activities		
(a) Opening balance	15,079.44	7,896.88
(b) Provisions made during the year	41,887.31	44,250.17
(c) Write-off / write-back of excess provisions	(34,697.07)	(37,067.61)
(d) Closing balance	22,269.68	15,079.44

42.10 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

42.11 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

42.12 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

42.13 Investments

	Year ended March 31, 2024	Year ended March 31, 2023
Value of Investments		
(i) Gross Value of Investments		
(a) In India	40,424.13	19,706.33
(b) Outside India	-	
(ii) Provisions for Depreciation / Impairment		
(a) In India	2,098.00	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	38,326.13	19,706.33
(b) Outside India	-	-
Movement of provisions held towards depreciation / impairment on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	2,098.00	-
(iii) Less : Write-off / write-back of excess	-	-
(iv) Closing balance	2,098.00	-

42.14 Derivatives:

	Year ended March 31, 2024	Year ended March 31, 2023
Cross Currency Interest Rate Swap		
The notional principal of swap agreements	10,004.88	34,734.55
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,356.72	2,629.80
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	1,356.72	2,629.80

Quantitative disclosures

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Derivatives (notional principal amount)		
For hedging	10,004.88	34,734.55
Marked to market positions		
a) Asset (+)	1,356.72	2,629.80
b) Liability (-)	-	-
Credit exposure	-	-
Unhedged exposure	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Qualitative disclosure

During the year ended March 31, 2024 and March 31, 2023 the Company has an existing derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). 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 reporting date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedge relationship. During the year ended March 31, 2024 and March 31, 2023 the Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. 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.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Company's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2024 and March 31, 2023 hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

42.15 Capital Adequacy Ratio

	As at March 31, 2024			As at March 31, 2023		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	2,47,394.59	10,85,586.41	22.79%	1,80,845.97	9,03,050.36	20.03%
(b) Tier I CRAR	1,99,722.36	10,85,586.41	18.40%	1,40,698.92	9,03,050.36	15.58%
(c) Tier II CRAR	47,672.23	10,85,586.41	4.39%	40,147.05	9,03,050.36	4.45%
(d) Liquidity Coverage Ratio	57,464.73	27,997.25	205.25%	65,441.01	28,414.53	230.31%

42.16 Details of financing of parent company products

The Company does not finance any parent company's products and accordingly disclosures is not required.

42.17 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

42.18 Unsecured Advances

Refer note 7(a)

42.19 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2024: *

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	3,759.41	12,065.54	23,312.31	41,675.28	46,974.88	1,35,908.77	2,30,801.37	3,23,102.49	15,823.00	1,200.00	8,34,623.05
Market Borrowings	-	-	-	8,000.00	-	40,850.00	6,868.17	11,014.41	28,000.00	25,000.00	1,19,732.58
Securitisation	-	-	21,569.14	21,263.42	21,142.55	53,489.65	32,229.76	15,757.27	-	-	1,65,451.79
Cash Credit & Others	600.00	-	-	-	-	-	1,149.59	-	-	-	1,749.59
Total	4,359.41	12,065.54	44,881.45	70,938.70	68,117.43	2,30,248.42	2,71,048.89	3,49,874.17	43,823.00	26,200.00	11,21,557.01
Assets											
Advances	12,389.69	12,389.69	28,319.28	59,421.55	53,978.68	2,09,207.47	5,28,143.04	2,48,565.73	629.28	75.89	11,53,120.30
Investments	19,487.32	-	-	-	-	-	-	-	-	18,838.81	38,326.13
Total	31,877.01	12,389.69	28,319.28	59,421.55	53,978.68	2,09,207.47	5,28,143.04	2,48,565.73	629.28	18,914.70	11,91,446.43

* Numbers appearing in the ALM table is extracted from DNBS-4 filed with the RBI by the company for the month of March 2024.

(b) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2023:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	3,273.69	8,542.14	10,928.04	20,693.27	52,551.63	1,10,615.24	1,45,330.94	2,68,855.65	12,446.00	-	6,33,236.60
Market Borrowings	-	3,840.00	8,333.33	4,500.00	16,560.00	650.00	15,586.67	60,716.67	20,500.00	17,500.00	1,48,186.67
Securitisation	-	6,170.66	9,220.03	13,984.80	25,117.81	25,697.04	13,852.92	59,913.70	-	-	1,53,956.96
Total	3,273.69	18,552.80	28,481.40	39,178.07	94,229.44	1,36,962.28	1,74,770.53	3,89,486.02	32,946.00	17,500.00	9,35,380.23
Assets											
Advances	11,327.37	11,327.37	25,891.13	59,361.11	63,725.22	1,96,449.13	3,05,986.27	3,05,446.67	380.30	14.99	9,79,909.56
Investments	-	-	-	-	-	-	-	-	-	19,706.33	19,706.33
Total	11,327.37	11,327.37	25,891.13	59,361.11	63,725.22	1,96,449.13	3,05,986.27	3,05,446.67	380.30	19,721.32	9,99,615.89

42.20 Draw down from reserves - Disclosure as per RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 November 10, 2014

There are no drawdown reserves from statutory reserves during the year ended March 31, 2024.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure pursuant to paragraph 53 of Resolution Framework for COVID-19-related Stress-RBI/2020-21/16- DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 read with Resolution framework 2.0 - RBI/2021-22/31 DOR.STR.RCEC.11/21.04.048/2021-22 dated May 05, 2021

For the year ended March 31, 2024

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-Position as at the end of previous half year i.e. September 30, 2023 (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 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
1	MSME loans	111.96	6.63	-	18.38	93.58
2	Others	259.62	58.28	1.99	74.04	183.60
Total		371.58	64.91	1.99	92.42	277.18

For the year ended March 31, 2023

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-Position as at the end of previous half year i.e. September 30, 2022 (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 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
1	MSME loans	162.76	80.75	-	16.75	146.01
2	Others	48,351.31	38,205.37	8,642.94	8,304.57	15,973.39
Total		48,514.07	38,286.12	8,642.94	8,321.32	16,119.40

44 Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) ["the Master Direction"]

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

Particulars	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
As at March 31, 2024	28	8,76,934.69	Not Applicable	84.63%
As at March 31, 2023	31	7,15,707.40	Not Applicable	82.76%

Notes:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 1% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(ii) Top 20 large deposits (amount in Millions and % of total deposits) - Not applicable

(iii) Top 10 borrowings

	As at March 31, 2024		As at March 31, 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Top 10 borrowings	5,14,982.66	49.70%	2,76,326.54	31.95%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at March 31, 2024		As at March 31, 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Borrowings (other than Debt securities)	8,73,570.67	84.31%	6,87,360.56	79.49%
Debt securities	61,989.07	5.98%	1,15,847.95	13.40%
Subordinated liabilities	65,130.40	6.29%	39,401.05	4.56%

Notes:

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, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratio

	As at March 31, 2024	As at March 31, 2023
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities as a % of total liabilities	3.31%	2.44%
Other short-term liabilities as a % of total assets	2.74%	2.07%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

45 Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) ["the Master Direction"].

S.No	Particulars	As at March 31, 2024		As at March 31, 2023	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:				
1	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a)	Debentures				
	- Secured	60,824.87	-	1,07,075.54	-
	- Unsecured	66,294.60	-	48,173.47	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred credits				
(c)	Term loans				
	- Secured	8,35,377.64	-	6,28,701.67	-
	- Unsecured	1,997.08	-	15,789.87	-
(d)	Inter-corporate loans and borrowings		-	-	-
(e)	Commercial paper	-	-	-	-
(f)	Finance lease obligations		-	-	-
(g)	Associated liabilities in respect of securitization transactions		-	-	-
(h)	Cash credits		-	-	-

S.No	Particulars	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
	Assets:		
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :		
(a)	Secured	97,358.70	74,262.26
(b)	Unsecured	9,65,660.40	8,17,782.20
3	Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i)	Lease assets including lease rentals accrued and due:		
(a)	Financial lease	-	-
(b)	Operating lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
(a)	Assets on hire	-	-
(b)	Repossessed assets	-	-
(iii)	Other loans counting towards AFC activities		
(a)	Loans where assets have been repossessed	-	-
(b)	Loans other than (a) above	-	-
4	Break-up of Investments		
	Current Investments		
I	Quoted:		
(i)	Shares:		
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

S.No	Particulars	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
II	Unquoted:		
(i)	Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	19,487.32	10,195.96
II	Unquoted:		
(i)	Shares:		
	(a) Equity	5.75	5.65
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
(v)	Investment in Pass Through Certificates	-	-
(vi)	Investment in Pass Through Certificates	-	-
(vii)	Investment in Equity Tranche	453.80	-
(viii)	Others (Security Receipts)	18,379.26	9,504.72

5 Borrower Group-wise Classification of Assets Financed as in (2) and (3) above

S. No	Category	As at March 31, 2024 (Net of Provisions)			As at March 31, 2023 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	96,870.49	9,32,664.25	10,29,534.74	73,881.23	7,93,008.33	8,66,889.56
		96,870.49	9,32,664.25	10,29,534.74	73,881.23	7,93,008.33	8,66,889.56

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

6 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

S. No	Category	As at March 31, 2024		As at March 31, 2023	
		Market Value/ Break up Value or Fair Value or Net Asset Value	Book Value	Market Value/ Break up Value or Fair Value or Net Asset Value	Book Value
1	Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	38,326.13	38,326.13	19,706.33	19,706.33
		38,326.13	38,326.13	19,706.33	19,706.33

7 Other Information

S. No	Category	As at March 31, 2024		As at March 31, 2023	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets	-	40,315.44	-	25,190.64
(ii)	Net non-performing assets	-	18,045.76	-	10,111.20
(iii)	Assets acquired in satisfaction of debt	-	-	-	-

46 High Quality Liquid Assets Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) ["the Master Direction"]

Particulars	As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		As at March 31, 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	56,340.28	56,340.28	60,565.40	60,565.40	10,690.30	10,690.30	37,977.41	37,977.41
Unencumbered fixed deposits	19,583.57	19,583.57	56,049.93	56,049.93	44,254.09	44,254.09	-	-
Investment in G sec	10,633.03	10,633.03	10,273.97	10,273.97	19,361.89	19,361.89	19,487.32	19,487.32
	86,556.88	86,556.88	1,26,889.30	1,26,889.30	74,306.28	74,306.28	57,464.73	57,464.73
Cash Outflows								
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	67,466.38	77,586.33	71,073.68	81,734.73	86,723.46	99,731.98	97,381.74	1,11,989.00
Other contingent funding obligations	-	-	-	-	-	-	-	-
	67,466.38	77,586.33	71,073.68	81,734.73	86,723.46	99,731.98	97,381.74	1,11,989.00
Cash Inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-
Other cash inflows	62,325.59	46,744.19	33,252.43	24,939.32	78,746.74	59,060.05	1,75,363.38	1,31,522.54
	62,325.59	46,744.19	33,252.43	24,939.32	78,746.74	59,060.05	1,75,363.38	1,31,522.54

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Liquidity coverage ratio

Particulars	As at June 30, 2023	As at September 30, 2023	As at December 31, 2023	As at March 31, 2024
Total high quality liquid assets (a)	86,556.88	1,26,889.30	74,306.28	57,464.73
Total net cash outflows (b)	30,842.14	56,795.40	40,671.92	27,997.25
Liquidity coverage ratio (a)/(b)	280.64%	223.41%	182.70%	205.25%

The inflows and outflows for the three months period June 30, 2023, September 30, 2023, December 31, 2023 and March 31, 2024 have been extracted from the form DNBS 4 filed by the company with Reserve bank of India.

Qualitative disclosures

The Reserve Bank of India has prescribed monitoring of sufficiency of NBFC's liquid assets pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on March 21, 2024). The Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of NBFCs to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by 1.15 times and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by 0.75 times.

The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the year ended March 31, 2024 was 202.25% which is above the regulatory requirement.

47 RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated on September 29, 2016

(a) For the year ended FY 2023-24

Category	More than ₹ 1 Lakh		Less than ₹ 1 Lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/misappropriation of cash				
- By Employees	129	2,013.47	-	-
- By Others	2	2.24	22	11.08
Total	131	2,015.71	22	11.08

(b) For the year ended FY 2022-23

Category	More than ₹ 1 Lakh		Less than ₹ 1 Lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/misappropriation of cash				
- By Employees	66	1,015.60	-	-
- By Others	-	-	3	1.37
Total	66	1,015.60	3	1.37

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

47.1 Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) ["the Master Direction"].

	Year ended March 31, 2024	Year ended March 31, 2023
Net Interest Margin during the Year:		
Average Interest (a)	25.00%	24.16%
Average effective cost for borrowing Interest (b)	10.33%	10.10%
Net Interest Margin (a-b)	14.67%	14.06%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended March 31, 2024, March 31, 2023.

The Average interest cost of borrowings of the Company for the years ended March 31, 2024, March 31, 2023 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

- Upfront processing fees paid by the Company for availing loans.
- Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

47.2 Undisclosed income

There are no transactions not recorded in the books of accounts.

48 Corporate Social Responsibility (CSR)

For the year ended March, 2024

During the year, the Company incurred an aggregate amount of ₹395.95 Lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at March 31, 2024		
	Projects related to FY 2023-24	Projects related to FY 2022-23	Projects related to FY 2021-22
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	241.63	40.57	135.48
(b) Excess Amount spent in previous year	-	-	-
(c) Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	241.63	40.57	135.48
(d) Amount spent during the period ended March 31, 2024:	241.63	40.57	113.75
i) Construction / acquisition of any asset	130.93	40.57	113.75
ii) On purposes other than (i) above	110.70	-	-
(e) Unspent Amount as on March 31, 2024 (c)-(d)	-	-	21.73
(f) Excess Amount spent as on March 31, 2024	-	-	-
(g) Surplus generated for CSR fund during previous year	NA	NA	NA
(h) Amount Transferred to CSR Unspent account as on March 31, 2024	NA	NA	NA
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2024	NA	-	21.73
(j) Reason for shortfall	NA	NA	Fund is allocated for ongoing Projects
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.			
i) Trust Name	Manappuram Foundation	Manappuram Foundation	Manappuram Foundation

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2024		
	Projects related to FY 2023-24	Projects related to FY 2022-23	Projects related to FY 2021-22
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Promotion of Health care and Women empowerment "	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation*	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group. c) Promotion of Health care and Women empowerment d) Eradicating hunger, poverty and malnutrition e) Promotion of Healthcare/preventive healthcare*

For the year ended 31st March 2023

During the year, the Company incurred an aggregate amount of ₹377.54 Lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at the year ended March 31, 2023	
	Projects related to FY 2022-23	Projects related to FY 2021-22
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	241.29	312.29
(b) Excess Amount spent in previous year	-	-
(c) Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	241.29	312.29
(d) Amount spent during the year as on March 31, 2023	200.72	176.81
i) Construction / acquisition of any asset	120.34	173.65
ii) On purposes other than (i) above	80.39	3.17
(e) Unspent Amount as on March 31, 2023 (c)-(d)	40.57	135.48
(f) Excess Amount spent as on June 30, 2022	-	-
(g) Surplus generated for CSR fund during previous year	1.56	-
(h) Amount Transferred to CSR Unspent account as on March 31, 2023	40.57	NA
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2023	40.57	135.48

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at the year ended March 31, 2023	
	Projects related to FY 2022-23	Projects related to FY 2021-22
(j) Reason for shortfall	Fund is allocated for ongoing Projects	Fund is allocated for ongoing Projects
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.		
i) Trust Name	Manappuram Foundation	Manappuram Foundation
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation"	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment"

49 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the years ended March 31, 2024, March 31, 2023.

50 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended March 31, 2024, ₹ 9,166.07 Lakhs (the year ended March 31, 2023, ₹ 4,468.58 Lakhs) is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

51 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Notional expressed in INR	Maturity date	Changes in fair value of hedging instrument Assets	Changes in fair value of hedging instrument Liability	Line item in Balance Sheet
Cash flow hedge					
Foreign exchange forward contracts (Cross currency interest rate swaps) (USD)					
For the year ended March 31 2024	10,004.88		1,356.72	-	Derivative financial instruments
For the year ended March 31 2023	12,332.55		1,745.55	-	Derivative financial instruments
Foreign exchange forward contracts (Cross currency interest rate swaps) (EURO)					
For the year ended March 31 2024	-		-	-	Derivative financial instruments
For the year ended March 31 2023	22,402.00		884.25	-	Derivative financial instruments

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange forward contracts (Cross currency interest rate swaps)				
For the year ended March 31 2024	(1,273.08)	-	(861.57)	Finance Cost
For the year ended March 31 2023	2,498.37	-	2,198.40	Finance Cost

Hedged Item

ECB Loans	As at March 31, 2024	As at March 31, 2023
Change in the value of hedged item used as the basis for recognising hedge in effectiveness	(1,112.87)	(1,974.44)
Cash flow hedge reserve as at*	243.85	655.37
Hedging gains or losses recognised in other comprehensive income	(411.51)	299.97

The hedge ineffective portion is accounted for as Finance Cost under the profit and loss account

* Figures are gross of tax

52 Employee Stock Option Scheme (ESOS), 2019

(a) The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	02-Feb-19
Number of options approved	8,30,000
Date of grant	July 1, 2019
Number of options granted upto June 30, 2023	8,30,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	1 year from graded vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1) (c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of ₹ 364/- on July 1, 2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023). The exercise period commences from the date of vesting and will expire not later than one year from the date of vesting.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

(b) The summary of the movements in options is given below:

	As at March 31, 2024	As at March 31, 2023
Options outstanding, beginning of year	64,750	2,42,500
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year period ended	18,375	1,25,250
Options lapsed during the year due to end of exercise period for tranche	28,875	52,500
Options Expired during the year	-	-
Options Exercised during the year	-	-
Options vested and Outstanding at the end of the year	17,500	64,750
Options outstanding at the year end comprise of :		
- Options eligible for exercise at the end of the year	17,500	32,375
- Options not eligible for exercise at the end of the year		32,375
	17,500	64,750

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the compensation cost for ESOS 2019 was required to be recognised based on the fair value on the date of grant i.e. in FY 2019-20. The Company has rectified the prior period error by giving retrospective effect of ESOP expenses and tax impact in the opening reserves of FY 2022-23, thereby providing reliable and more relevant information about the Company's financial position. The impact of such change is as follows:

Financial line item	increase / (decrease) As at and for the year ended March 31, 2022
ESOP expense	143.96
Deferred Tax	36.24
Earnings per share (in ₹) (Face value of ₹10 per equity share)	
- Basic	(0.07)
- Diluted	(0.07)

Expenses recognised in the Profit and loss accounts for the year ended March 31, 2024, is ₹ 0.64 in Lakhs (for the year ended March 31, 2023 ₹ (21.02) in Lakhs)

Tax impact for year March 31, 2024 is ₹ (0.16) in Lakhs (for the year ended March 31, 2023 ₹ 5.29 in Lakhs)

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Grant Date	01-Jul-2019
Option Price Model	Black Scholes Method
Exercise Price	364
Share Price on Grant Date	239.37
Expected Volatility	0.5
Expected time to exercise shares	1 Year after Vesting i.e. last possible exercise date
Risk-free rate of return	6.61% - 7.00%
Dividend Yield	0
Fair Value of ESOP at Grant Date	63.24 - 96.7
Weighted Average Fair Value of ESOP at Grant Date	81.1845
Method used to determine expected volatility	The expected volatility is based on price volatility of similar NBFC Listed company.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

53 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Receivables considered good - Secured		
(b) Receivables considered good - Unsecured;	78.83	600.78
(c) Receivables which have significant increase in Credit Risk		
(d) Receivables - credit impaired		
Gross	78.83	600.78
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	78.83	600.78

Trade receivables ageing

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	78.81	0.02	-	-	-	78.83
(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	-	-	-	-	-	-

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	525.18	75.60	-	-	-	600.78
(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	-	-	-	-	-	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

54 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	113.12	80.23
Total	113.12	80.23

Ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					-
(ii) Others	87.70	25.34	0.08	-	113.12
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-

Ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	79.86	0.37			80.23
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

55 Capital-Work-in-Progress (CWIP) and Intangible assets under development ageing as on March 31, 2024

A Particulars	Out standing for the following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in Progress (CWIP)	-	-	-	-	-
Intangible assets under development	-	-	-	-	-

B For Capital work in progress and Intangible assets under development, there is no transaction whose completion is overdue or has exceeded its cost compared to its original plan.

56 Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

57 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

58 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024, March 31, 2023 are given below:

Name of the struck off company	Balance outstanding as at	
	As at March 31, 2024	As at March 31, 2023
Receivables (Loans outstanding)	-	-
Payables (Borrowings outstanding)	-	-
Payables (Trade Creditors)	-	-
Shares held by struck off company	-	-

	For the year ended	
	As at March 31, 2024	As at March 31, 2023
Value transactions conducted with the above Trade Creditor, being the company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.	-	-

In the financial year ended March 31, 2024 and financial year ended March 31, 2023 the Company has not conducted any transaction with Struck off companies.

59 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024, Except for few instances where delay was due to technical issues in MCA site . For these cases, charges were created with in the extended timeline given by MCA.

60 Compliance with number of layers of companies

Not Applicable

61 Utilisation of Borrowed funds and share premium

During the year ended 31st March 2024, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

- (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

62 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2024 and March 31, 2023.

63 Details of loans transferred / acquired during the year ended March 31, 2024 and March 31, 2023, under RBI Master Direction on Transfer of Loan Exposure dated September 24, 2021.

(a) Details of stressed loans transferred and investment made in Security Receipts to ARCs:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) No of Accounts	1,24,545.00	2,75,093.00
(ii) Aggregate principal outstanding of loans transferred	29,525.87	32,210.00
(iii) Weighted average residual tenure of the loans transferred (Months)	9.49	5.63
(iv) Net book value of loans transferred (At the time of transfer)	16,360.48	10,594.00
(v) Aggregate consideration	14,645.00	10,630.00
(vi) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(vii) Investment in Security Receipts (SR)	12,669.05	9,243.00

(b) The Company has not acquired any loans through assignment.

(c) The Company has not acquired any stress loans

64 Pursuant to the requirements of IND AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, during the year, the Company has carried out restatement of the comparative financial information and the impact of such restatement on the financial statement for the year ended 31 March 2023, and reporting periods beginning 01 April 2022 is as follows:

Financial line item	Increase / (Decrease)		
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at April 01, 2022
Employee benefit expenses	0.64	(21.02)	NA
Tax Expense	(0.16)	(508.79)	NA
Other comprehensive income	180.92	(175.70)	NA
Total comprehensive Income / (Loss)	180.44	(1,235.34)	NA
Investments	(241.77)	(659.14)*	(277.10)
Derivative financial instruments	-	(142.67)	(142.67)
Deferred tax assets (net)	51.64	666.97	116.55
Other Equity	190.13	12.45	(303.22)
Earnings per equity share (Face Value of ₹ 10/- per share)			
- Basic (₹)	(0.00)	(0.30)**	NA
- Diluted (₹)	(0.00)	(0.30)**	NA

* Includes accrued interest on G-Sec amounting to ₹ 147.25 lakhs which was reclassified to Other financial assets

** The Restated earnings per share (EPS) has been calculated after considering the impact of bonus shares (2:1) issued by the Company during the current financial year.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

65 Disclosure pursuant to The Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) ["the Master Direction"].

65.1 Exposure to Real Estate Sector

Particulars	As at March 31, 2024	As at March 31, 2023
Category		
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	3,572.78	3,660.77
(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	12.72	87.43
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	3,585.50	3,748.20

65.2 Exposure to capital market

The Company does not have any exposure to Capital market as at March 31, 2024 and March 31, 2023.

65.3 Customer complaints

Particulars	As at March 31, 2024	As at March 31, 2023
Complaints received by the NBFC from its customers		
1. No. of complaints pending as at beginning of the year	123	859
2. No. of complaints received during the year	2,246	3,693
3. No. of complaints disposed during the year	2,283	4,429
Of which, number of complaints rejected by the NBFC	204	410
4. No. of complaints pending as at end of the year	86	123
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	NIL	NIL
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NIL	NIL
Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	NIL	NIL
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NIL	NIL
Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

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 previous, number of complaints pending beyond 30 days
For the year ended March 31, 2024					
Insurance related	69	768	-55.30%	34	19
Collection related	38	894	-6.29%	26	9
Loan Related	5	163	-64.57%	12	2
Staff Related	-	124	-42.33%	1	-
CIBIL related	-	147	NA	12	-
Others	11	150	-16.20%	1	-
Total	123	2,246		86	30
For the year ended March 31, 2023					
Insurance Related	508	1,718	35.49%	69	40
Collection Related	197	954	-1.75%	38	16
Loan Related	35	460	-17.56%	5	4
Staff Related	12	215	2.87%	-	-
Service Related	79	167	NA	-	-
Others	28	179	-19.00%	11	2
Total	859	3,693		123	62

*There were some errors in the data extracted by the company during the annual closing, and same set of data was used by the Company for RBI reporting in the respective years. However, during the year ended as on March 31, 2024, some errors were identified and rectified by the Company.

Table showing number of complaints reported in previous year vis-à-vis the rectified / restated numbers

Particulars	Previous Year Reported Numbers	Restated Number
No. of complaints pending as on March 31, 2022	1144	859
No. of complaints received during the period	3507	3693
No. of complaint disposed during the period	4532	4429
No. of complaint rejected during the period	NIL	410
No. of complaints pending as on March 31, 2023	119	123

65.4 Intra Group Exposures

There is no Intra group exposures for the company

65.5 Instances of breach of covenant of loan availed or debt securities issued

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants relating to borrowings. Given the large scale Covid-19 induced disruptions, many of the borrowers across the microfinance industry were unable to service their loans on-time resulting in significantly elevated PAR, GNPA, NPA etc., The company was not immune to this industry trend and witnessed breach of some of the covenants due to elevated portfolio stress levels

Particulars	As at March 31, 2024	As at March 31, 2023
Number of Instances	10	9
Amount Involved (₹ In Lakhs)	50,127.04	40,263.00

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

65.6 Sectoral Exposure

Category	Year ended March 31, 2024			Year ended March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
i) Agriculture-Animal Husbandry	64,130.69	1,919.60	2.99%	48,230.93	1,003.72	2.08%
ii) Agriculture-Dairy	62,679.70	4,580.97	7.31%	70,247.50	4,631.95	6.59%
iii) Agriculture-Crops	7,38,221.77	24,524.82	3.32%	5,57,438.17	9,757.84	1.75%
iv) Agriculture - Others	13,482.49	825.32	6.12%	16,650.43	809.30	4.86%
Total (i+ii+iii+iv)	8,78,514.65	31,850.71	3.63%	6,92,567.03	16,202.81	2.34%
2. Industry						
i) Textile	29,478.15	1,306.90	4.43%	25,800.11	877.23	3.40%
ii) Others	28,181.30	2,207.32	7.83%	28,257.70	1,195.97	4.23%
Total (i+ii)	57,659.45	3,514.22	6.09%	54,057.81	2,073.20	3.84%
3. Services						
i) Trade	73,225.19	5,827.92	7.96%	91,191.10	5,615.70	6.16%
ii) Others	47,016.69	3,816.27	8.12%	53,313.88	3,493.84	6.55%
Total (i+ii)	1,20,241.88	9,644.19	8.02%	1,44,504.98	9,109.54	6.30%
4. Personal Loans						
i) Loan Against Gold Jewellery	88,967.95	1,529.38	1.72%	70,532.01	498.52	0.71%
ii) Product Loan	36,400.34	5,953.94	16.36%	35,478.82	9,753.67	27.49%
iii) Others	6,269.56	303.73	4.84%	6,948.97	67.45	0.97%
Total (i+ii+iii)	1,31,637.85	7,787.05	5.92%	1,12,959.80	10,319.64	9.14%

65.7 Loans and contracts awarded to Directors, Senior Officers and relatives of Directors - As per provisions of the Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) [“the Master Direction”].

Particulars	As at March 31, 2024	As at March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ lakhs unless otherwise stated)

65.8. Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2023 and for the year ended 31 March 2022 as per the requirement of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on March 21, 2024)

66 Details of Auctions Held During the Year 2023-24

Additional disclosures as required by the Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 (issued vide Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, including the amendments from time to time) [“the Master Direction”].

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (₹ in Lakhs)	Interest Amount outstanding at the dates of auctions (B) (₹ in Lakhs)	Total (A+B) (₹ in Lakhs)	Value fetched (₹ in Lakhs)
March 31, 2024	2661	1,632.02	573.09	2,205.11	1,609.92
March 31, 2023	546	445.76	122.81	568.57	554.26

Note: No sister concerns participated in the auctions held during the financial year ended on March 31, 2024 and March 31, 2023

67 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for direct changes to certain tables at the database level. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

68 Previous year figures

Previous year's figures had been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosure

For M. P. CHITALE & Co
Chartered Accountant
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 22, 2024
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

Rajesh KRN Namboodiripad
Chief Financial Officer
Date: May 22, 2024
Place: Valapad

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Aparna Menon
Company Secretary



Small Loans... Big Dreams..