ANNUAL REPORT
2022-23

VASTU FINSERVE

TRANSPARENCY

CUSTOMER CENTRIC

INNOVATION

TECHNOLOGY

Content

Corporate Overview

Message from Director	2
Message from Whole-Time Director	4
Key Performance Indicators	6
Board of Directors	8
Corporate Information	9

Statutory Reports

Management Discussion & Analysis	10
Boards' Report	23
Corporate Governance Report	38

Financial Statement

Auditor's Report	42
Financial Statements	52

MESSAGE FROM DIRECTOR

Vastu Finserve was conceived and set up with the idea of extending Vastu's offerings to a broader market and create an impact in the industry.

Mr. Sudhir Variyar

Dear all,

I am excited to bring you Vastu Finserve's excellent performance during the past financial year. The company has demonstrated great growth and strength in an uncertain macroeconomic environment.

Vastu Finserve was incorporated in 2018 to cater to the personal and business credit needs of the self-employed segment. The Company started disbursals of Vehicle Finance Business in July 2021, and today I am happy to announce that the company has scaled to c. ₹ 800 crore recording 182% growth in AUM in FY23. Further, the company has been able to maintain credit quality metrics with gross NPA at 0.78% as of March 31, 2023. Focusing on growth while simultaneously ensuring the quality of the book, as always, is core to the Vastu DNA.

During the year, the company further invested heavily in expanding its footprint and currently encompasses a network of over 60 branches. On the liabilities side, Vastu Finserve is rated AA-/Stable by CARE Ratings which reinforces the confidence and faith the ecosystem derives from the business.

Vastu Finserve was conceived and set up with the idea of extending Vastu's offerings to a broader market and create an impact in the industry. Powered by strong technology-driven processes and risk management systems, Vastu Finserve aims to replicate the success of its parent company in the wider consumer finance market, enable financial inclusion and empower customers to fulfil their dreams. As the shoots start to spring up, Vastu Finserve is well-positioned to emerge as a strong force in the market on the back of its proven heritage, technology-driven processes, focus on customer service and robust risk management practices.

As Vastu Finserve, continues on this journey of unlocking credit for the masses in India and positively impacting the lives of its customers, we believe that our strong business model, market understanding, and agility will enable us to navigate through any uncertainties and capitalise on the opportunity. We will continue to focus on our customers, employees, and stakeholders and work towards achieving our vision of becoming the preferred financial partner for our customers.

In conclusion, I would like to express my sincere gratitude to the management team, our customers, and employees for their unwavering commitment to building this company. I would also like to thank the regulators, lenders, board members and all other stakeholders for their continued support in making this possible. We remain committed to delivering value and creating sustainable growth for all our stakeholders.

Best wishes,

Sudhir Variyar
Director

As Vastu Finserve, continues on this journey of unlocking credit for the masses in India and positively impacting the lives of its customers, we believe that our strong business model, market understanding, and agility will enable us to navigate through any uncertainties and capitalise on the opportunity.

182%

growth in AUM in FY23

0.78%

Gross NPA as of March 31, 2023

MESSAGE FROM WHOLE-TIME DIRECTOR

Vastu Finserve's AUM in this fiscal grew 182% YoY, while AUM for the used car segment grew at 253% YoY, AUM for the used CV segment grew at 151% YoY. Net interest income grew 85% YoY backed by strong loan growth.

Mr. Sandeep Menon

Dear Shareholders,

I am pleased to bring you this Annual Report detailing our company's performance for FY 2022-23.

The Year Gone By

Vastu Finserve ("Vastu Finserve or VFIPL"), a Non-Banking Financial Company (NBFC) and a wholly owned subsidiary of Vastu Housing Finance, has remained in a secure position and delivered consistent and healthy growth metrics in the past financial year.

Our growth can be attributed to strong business fundamentals coupled with prudent risk, governance, and financial management practices. Ahead of any prospective demand uncertainties, we remain nimble-footed with respect to our business strategy.

In the past fiscal year, the global economic perspective has shifted significantly. The pandemic anxiety eased, and a new normal is emerging. Over the course of the past two years, the global economy has grappled with a series of overlapping adversities, the most recent of which pertains to liquidity challenges stemming from a series of global banking crises.

Additionally, challenges like disrupted supply chains, geopolitical tensions, and tightening global monetary policies have resulted in inflationary pressures across the globe. Nevertheless, backed by its strong fundamentals, India continues to be one of the fastest-growing economies.

Business Performance

I am delighted to report that we have made significant progress towards achieving our strategic goals this year. Our Assets Under Management (AUM) has surpassed ₹ 800 crore, driven by robust and consistent performance. The cornerstone of our growth is investments made ahead of time in people, processes, technology, and franchise. We stand true to our philosophy of never wasting a slowdown, continuously building for the future.

Vastu Finserve's AUM in this fiscal year grew 182% YoY, while AUM for the used car segment grew at 253% YoY, AUM for the used CV segment grew at 151% YoY. Net interest income grew 85% YoY, backed by strong loan growth. FY23 was a year where the Company made significant strategic investments, including hiring and nurturing talent and infrastructure expansion, among other key investments. Despite large strategic investments, during the fiscal year, the Company reported a PAT of ₹ 11.1 crore, implying a return on asset (ROA) of 1.6%. A credit cost of 139 bps and gross stage 3 assets of 0.78% in FY23 is a testament to the tight underwriting standards and prudent risk management practices of the Company. Vastu Finserve continued to maintain a provision coverage ratio of 60% on its stage 3 assets through FY23.

Our business remains operationally secure, non-intrusive, highly scalable, nimble, and lean.

Franchise Expansion

Backed by an all-round and consistent performance, VFIPL's credit rating was upgraded to AA- (Stable) by CARE Ratings. The upgrade in credit rating is a testament to the Company's scalable business model, governance, execution capabilities, management quality, and operational excellence. This further augments our position as a scalable, institutionally built, and professionally managed NBFC.

We have also expanded our customer base by 142% YoY and strengthened our branch network, expanding our footprint to 62 branches (including 32 shared branches with the parent company) with a presence across 12 states of the country.

Management is committed to progressing the business with a deliberate approach to profitable growth, taking into consideration the prevailing business landscape, and adapting accordingly. The landscape of used commercial vehicles and used car loans in the MSME industry has witnessed little or no transformative shifts in recent years. Amidst the prevailing status quo, a significant untapped opportunity awaits in the industry. VFIPL is advancing its right to win in this space by transforming a traditional business through the usage of technology to create scalable, sustained, and agile delivery pipes while managing risk prudently using cutting-edge analytics and insights.

Technology Leadership

Technology and analytics capabilities, enabled with AI/ML tools and a dedicated support team, help us empower the entrepreneurial goals of credit-underserved current and prospective customers. Our proprietary technology platform, Pulse, has been an anchor in delivering superior customer experience, straight-through processing, deep data insights, and purpose-driven automation for all our key processes. This has added tremendous value in driving customer centricity, setting high governance standards, tight controls over credit, market, and operational risks, and ensuring consistency while growing responsibly.

Pulse is shaping up well for V2.0. It is rapidly transforming into a modular and scalable platform with simpler, faster, and more intuitive workflows. The platform is increasingly adapting to predictive decision engines and scorecards, thus reducing manual intervention while also driving operational efficiencies and enriching its underwriting process. Customised instances are being initiated for developing products that address segment-wise risks and market opportunities. Further, the customer experience of the platform has been enhanced alongside Vastu ValuCircles, a marketplace that promotes co-lending while driving financial inclusion.

We believe key differentiators will be regressive machine learning, deep data context-based personalisation, rapid scalability, and the ability to leverage cloud technologies.

Talent Development

The Company's culture continues to promote openness, mutual respect, meritocracy, and trust, fostering an environment conducive to growth. Our people strategy is to endorse people with a combination of the right age profile, energy, execution capability, collaborative teamwork, along with learnability. We focus on striking the right balance between in-house talent and quality external hires in key roles. We are committed to cultivating, expanding, and retaining exceptional talent by offering targeted training and development initiatives in an inclusive, supportive, and thriving work environment.

Focus on the talent pool along with careful and consistent execution ensures Vastu remains fit for growth. Our emphasis in the coming years will be to develop and groom internal leadership talent.

Our Guiding Force

Our company has remained steady while also growing through economically volatile times and has emerged as a strong, mature, resilient, and strategically agile entity. We are grateful for the support of our stakeholders for believing in our vision and being a consistent part of our journey.

Through purpose-driven growth, we lay the groundwork for individuals and communities to flourish, making substantial contributions to a more equitable and sustainable society.

Each loan catalyses our customers' business journey while empowering middle India with greater credit access, bringing us closer to the national goal of 'Aatmanirbhar Bharat'.

With multi-decadal opportunities ahead of us. We remain committed to our people and our values while balancing growth, quality, and profitability. We will continue to work towards remaining a fit-for-growth and future-ready institution.

Best wishes,

Sandeep Menon
Whole-time Director

KEY PERFORMANCE INDICATORS

GROWTH

AUM

FY23
803

FY22
285

↑ 182%

Disbursement

FY23
707

FY22
216

↑ 228%

PROFITABILITY

NII

FY23	FY22	
44.2	23.8	↑ 85%

PAT

FY23	FY22	
11.1	5.4	↑ 103%

RoA

FY23	FY22
1.6%	1.9%

CAPITAL

Net Worth

FY23
310

↑ 150%

FY22
124

Leverage

FY23
2.28

↑ 12%

FY22
1.86

ASSET QUALITY

Gross Stage 3 Assets

FY23	FY22
0.78%	0.83%

Net Stage 3 Assets

FY23	FY22
0.31%	0.33%

Credit cost

FY23	FY22
1.39%	2.12%

FOOTPRINT

States

FY23	FY22	
12	4	↑ +8

Branches (including shared)

FY23	FY22	
62	41	↑ 21%

Team Strength

FY23	FY22	
1,025	403	↑ 154%

BOARD OF DIRECTORS

Mr. Sudhir Variyar
Director

Mr. Sudhir Variyar is a Director at Vastu Finserve India Private Limited and Deputy CEO and MD of Multiples Alternate Asset Management.

He has 3 decades of diverse experience across investment banking, structured finance, corporate finance and credit rating. He has been in the private equity industry since 2005 and has a strong investment track record. Prior to Multiples, he was a Senior Director at ICICI Venture. In this capacity, he led investments in the financial services and energy sectors and was part of the investment committee at ICICI Venture. As part of the Multiples' leadership team, he plays an important role in all aspects of the firm building, but more importantly in fund raising, portfolio management and in recruiting the senior team and advisory bench at Multiples and other strategic initiatives. He plays an important role in investment selection and has been a member of the Investment Committee of all funds advised by Multiples. He has also led several successful investments at Multiples across different sectors.

Sudhir has been on the board of portfolio company Vikram Hospital (Bengaluru) Pvt Ltd. and Delhivery Pvt. Limited. He is currently on the board of portfolio companies, Vastu Housing Finance Corporation Limited and Sanctum Wealth Management Pvt Ltd. Sudhir holds a post graduate degree from the Indian Institute of Management, Calcutta and a B.Tech in Chemical Engineering from IIT – BHU.

Mr. Vijay Kumar
Director

Mr. Vijay Kumar, Director at Vastu Finserve India Private Limited, and former Group Executive Vice President, NIIT Group, has a distinguished career spread over 30 years in Banking and IT industries. During his association with the NIIT group since March 2000, he has been involved in several international acquisitions, setting up strategic alliances and joint ventures and various new initiatives, such as setting up the BPO subsidiary. Between 1999-2000, Mr. Vijay Kumar was the head of Corporate Finance with HSBC in India. Prior to 1999, for over 15 years, he was with the ICICI Group and was involved in various roles, in project financing and investment banking, with companies in different sectors. In his last position with the ICICI group, he was the head of Investment banking, ICICI Securities, and was involved in several large transactions in M&A and advisory transactions and equity and debt placement. During the course of his career, Mr. Vijay Kumar has served on the boards of several companies, public and private, as an independent/ nominee director.

Mr. Sandeep Menon
Whole-Time Director

Mr. Sandeep Menon is the Whole Time Director at Vastu Finserve India Private Limited. He is a senior banker with over 24 years of diverse experience in General Management, Business Strategy and Risk Management with various country level business leadership roles across Consumer Lending, SME Lending, Home Loans, Personal Loans and Commercial Finance across leading Foreign Banks and Financial Institutions such as GE Capital, Standard Chartered Bank and Barclays Bank Plc. He has built large lending business across Secured and Unsecured Lending. Sandeep was part of the founding team at Barclays Bank PLC in India as the Director and Head of Retail Assets and Banking Strategy.

CORPORATE INFORMATION

Board of Directors

Mr. Sudhir Variyar
Director

Mr. Vijay Kumar
Director

Mr. Sandeep Menon
Whole-Time Director

Risk Management Committee

Mr. Sandeep Menon- *Chairman*

Mr. Sujay Patil- *Member*

Mr. Satish Nair - *Member*

Mr. Udit Kariwala- *Member*

Mr. Mohd. Shakil Khan- *Member*

Mr. Nikhil Carvalho- *Member*

Asset Liability Management Committee

Mr. Sandeep Menon - *Chairman*

Mr. Sujay Patil - *Member*

Mr. Satish Nair - *Member*

Mr. Udit Kariwala - *Member*

Mr. Sanjay Chaturvedi - *Member*

Mr. Mayank Jhawar - *Member*

Chief Financial Officer

Mr. Udit Kariwala

Company Secretary and Compliance Officer

Ms. Nikita Rajesh Nath

Banks

Public Sector Banks

State Bank of India

Union Bank

Private Sector Banks

AU Small Finance Bank

Axis Bank

Bandhan Bank

Catholic Syrian Bank

DCB Bank

Equitas Small Finance Bank

Federal Bank

IDFC FIRST Bank

IndusInd Bank

Kotak Mahindra Bank

South Indian Bank

Suryoday Small Finance Bank

Ujjivan Small Finance Bank

Utkarsh Small Finance Bank

Yes Bank

Financial Institutions

Aditya Birla Finance Limited

Bajaj Finance Limited

HDFC Limited

Sundaram Finance Limited

Tata Capital Financial Services Limited

Statutory Auditors

Khandelwal Jain & Co.,
Chartered Accountants

Internal Auditors

KKC & Associates LLP,
Chartered Accountants

Debenture Trustee

Catalyst Trusteeship Limited
Windsor, 6th Floor,
Office No.604, C.S.T Road,
Kalina, Santa Cruz (East),
Mumbai -400098.
Ph: +91 22 49220502
Website : www.Ctltrustee.com

IDBI Trusteeship Services Limited
Ground Floor, Asian Building,
17, R Kamani Road, Ballard Estate,
Fort, Mumbai - 400001
Ph: +91 22 40807000
Website : www.idbitrustee.com

Registrar and Share Transfer Agent

Link Intime India Private Limited
247 Park, C-101, 1st Floor, LBS Marg,
Vikhroli West, Mumbai - 400083
Ph: +91 22 4918 6000
Website: www.linkintime.co.in

Registered and Corporate Office Address

Unit 203 & 204, 2nd Floor,
A Wing, Navbharat Estate,
Zakaria Bunder Road,
Sewri (West),
Mumbai - 400 015.

MANAGEMENT DISCUSSION AND ANALYSIS

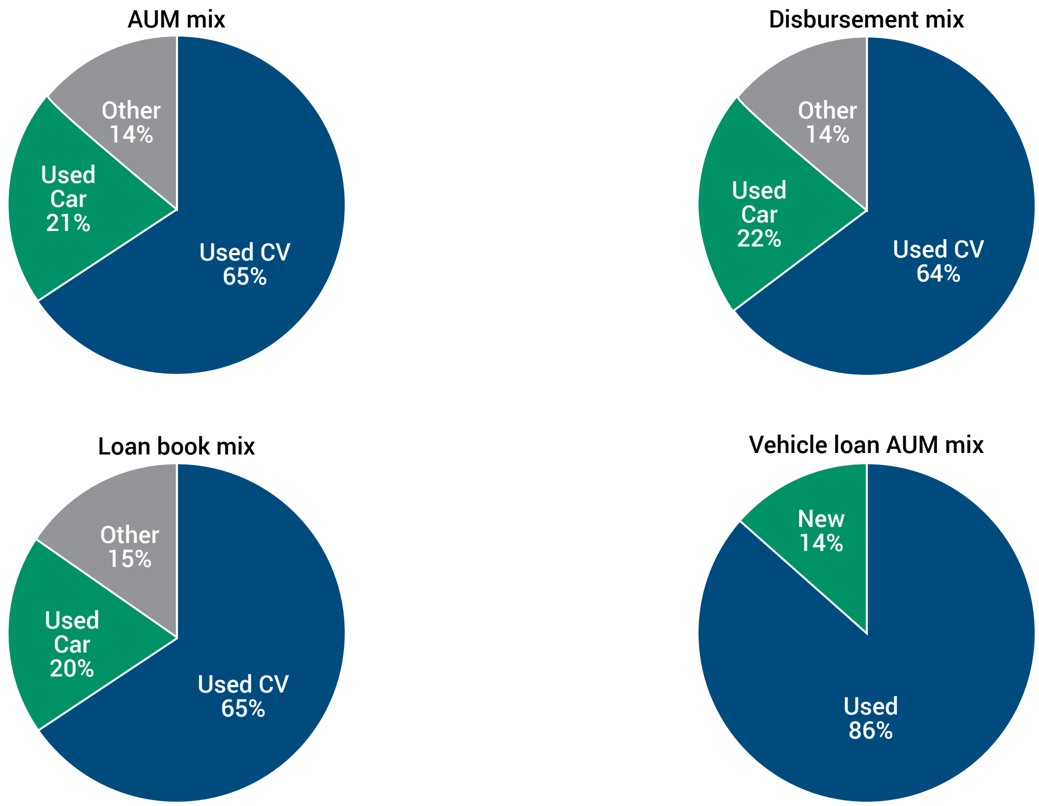
Executive Summary:

Witnessing the ripple effects of Covid-19 and tightened macroeconomic conditions across the globe, Vastu Finserve continued to sustain its growth trajectory, profitability, and asset quality. Vastu Finserve has been operating with the highest levels of integrity while strengthening the franchise and investing in developing diverse human resource capabilities across levels. During this year, our Company's rating was upgraded to AA- (Stable) by CARE (amongst the fastest in the segment to receive AA- rating); a testament to the resilience of our business model, management depth, and the quality of our assets. We remain a fit for growth and future ready institution.

Key Highlights:

Business	■ Profitably scaled up the NBFC through commercial vehicles financing along with recently ramped up used car financing; ■ Disbursements crossed ₹ 707 crore in FY23, a 228% increase from FY22; ■ AUM crossed ₹ 803 crore in FY23, a 182% increase from FY22.
Profitability	■ Delivered profit after tax of ₹ 11.1 crore; an increase of 103% over the previous financial year; ■ NBFC business has been profitable for the last two financial years; ■ Margin profile continues to remain strong despite steep rate hikes; ■ Company reported return on average assets (ROA) of 1.6% in FY23 as against 1.9% in FY22; significant strategic investments and large part of the asset book addition only in the 2H of the fiscal led to the optical decline in ROA.
Liabilities	■ Rating upgraded to AA- (Stable) by CARE; ■ Continued to expand robust liability franchise diversified across a large set of private and public lenders.
Risk *(Stage 3 asset numbers, reported November 2021 onwards factor the IRACP norm changes)*	■ Gross Stage 3 assets at of 0.78% and Net Stage 3 assets at of 0.31%; ■ Stage 3 PCR maintained at 60%.
People	■ Attracting top-level talent in business and leadership roles with the right mix of conventional and experienced industry leaders; ■ Focused on promoting diversity across hiring, promotions and functions.
Technology and Analytics	■ Product-specific bureau scorecards: Utilizing proprietary AI/ML scorecards and in-house analytics to drive faster credit decisioning for customers while maintaining high asset quality; ■ Enhanced Scorecards to predict bounces: Integrated into the predictive scorecards and collections module, this will enable smarter risk management and collections; ■ Enhancing early warning signals, dedupe tools and mobile dashboards.

AUM and disbursement break-up



Global Economic Overview:

The post-pandemic economy is puzzling. Each time you look, you see something different. After chaos in the banking industry of some developed markets, many are now convinced that the world economy is heading for a 'hard-landing' recession. In fact, evidence like The Institute of Supply Management (ISM) Manufacturing Purchasing Managers Index (PMI) (new orders below 50 for 8 months) suggests that the US is already in recession. On the other hand, rising debt levels and tougher external financing conditions increase pressure on emerging market countries. Few seem to expect a 'no-landing' scenario in which the economy remains untroubled by rising interest rates. Even official statisticians are struggling to understand the picture. In short, forecasting has rarely been more challenging.

In the past year, Europe has seen its biggest war in seven decades, a supply-chain clog, an energy crisis, and a banking panic. Meanwhile, other wealthy countries have experienced limited stability too. The International Monetary Fund's (IMF) April 2023 forecast for Advanced Economies suggest 1.3% YoY growth in FY23, with the US growing at 1.6% YoY. Amongst the volatile global environment, India continues to stand out. After 7.7% YoY real Gross Domestic Product (GDP) growth in the first three quarters of FY23, YoY growth for fiscal 2023 is expected to be circa 6.5%. For India, in FY24, investment will likely remain the key growth driver (with strong public investment complemented by the realisation of large corporates' investment plans). Estimates suggest that fiscal deficit would likely moderate to circa 5.5% of GDP in FY24. The lower market borrowings by the Government of India will help crowd in private investments. As per IMF's April 2023 forecasts, India would continue to be the fastest growing large economies in 2024 with a real GDP YoY growth estimate of 6.3% vs 4.2% for the emerging market and developing economies and 3% for the world output.

FED Rate Outlook:

The 10-year US Treasury yield rose to its highest level to touch 4.291% since late 2007 and closed at 3.45% in April 2023, 56 bps higher than the close of 2.89% in April 2022. Inflation hit a fresh 40-year record in June, with consumer prices increasing 9.1% in June 2022. The Federal Reserve raised the fed funds rate by 25bps to a range of 5%-5.25% during its May meeting, marking the 10th increase thereby bringing borrowing costs to their highest level since September 2007. The decision came in line with market expectations. Given that United States core Personal Consumption Expenditure (PCE) rose 4.6% YoY in March 2023 and an annualised 4.7% in Q1CY23, Fed Funds rate is expected to peak at 5.50% this year. The Central Bank also signalled that it may be done with a tightening cycle, indicating this through reminiscent language change (similar to the language it used when it halted hikes in 2006) in the policy statement that incoming information will be closely monitored to access implications for the monitory policy in determining the need for additional policy firming.

Economic Outlook – India:

Indian economy continues to show strong resilience to external shocks. Notwithstanding external pressures, India's service exports have continued to increase, and the current account deficit is narrowing. The World Investment Report, 2022 of UNCTAD, places India as the seventh largest recipient of Foreign Direct Investment among the top 20 host countries. Although headline inflation is elevated, it is projected to decline. The central government is likely to meet its fiscal deficit target of 5.9% of GDP in FY23-24, and combined with consolidation in state government deficits, the general government deficit is also projected to decline. The Reserve Bank of India projects India's real Gross Domestic Product (GDP) to grow at 6.5% in FY24 vs its earlier estimate of 6.4%. This is backed by positives such as sustained government capex, deleveraged corporates, low NPAs in the banking sector, The Production Linked Incentive Scheme (PLI), and the likelihood of subduing global commodity prices. Even monsoon is expected to be 'normal' at 96% as per the recent forecast of India Meteorological Department despite EI Nino conditions. Additionally, the outlook for capex plans from capital-intensive sectors (such as power, energy, metals, telecom, infrastructure, and real estate construction) continues to be positive. Indian economy continues to demonstrate strong macroeconomic fundamentals principally led by prudent fiscal management, a thriving financial sector backed by rising formal financial and increased penetration of privation consumption and capital formation.

Domestic Rate Outlook:

The retail inflation rate in March 2023 fell to 5.66% compared to 6.95% in March 2022, the lowest in 15 months. Successive rate hikes adding up to 250 bps by The Reserve Bank of India (RBI), bringing the repo rate to 6.5%, helped tackle inflation. Global economic slowdown and interest rate increases helped bring down commodity prices (West Texas Intermediate crude oil came down to $76.78 per barrel in April 2023 from $109.3 in April 2022) and aided in controlling inflation.

Liquidity has turned back into a moderate surplus with average net Liquidity Adjustment Facility (LAF) at ₹ 2.7 lakh crore (as on 4 April 2023) from a slight deficit at the time of the last policy. RBI has been successfully managing liquidity. Surplus liquidity at the beginning of FY23 has been progressively brought down by open market operation (OMO) sales and an increase in Cash Reserve Ratio (CRR). Banking sector credit growth (broad-based across sectors) continued to grow in double digits outpacing the deposits growth. This raises concerns about the long-term sustainability of double-digit credit growth and indicates a tight liquidity environment from the banking sector in the near to medium term. As per the fortnightly bank credit data, during FY23, incremental bank credit grew 15.4% YoY to ₹ 17.8 lakh crore (9.7% YoY growth in FY22) vs deposit growth of 9.6% YoY to ₹ 15.7 lakh crore (8.9% YoY growth in FY22).

India's inflation trajectory for FY24 would have varying degrees of impact from domestic and global factors. The crude oil prices outlook is subject to high uncertainty. Nevertheless, the expectation of a record rabi food grains production renders some comfort to the food prices outlook. Against this backdrop, estimates indicate India's Consumer Price Index (CPI) inflation to be circa 5.2% in FY24, largely well spread out across all four quarters of the year. One key aspect to notice is, RBI's clear distinction between policy strategy and policy stance. While it kept the stance same as 'withdrawal of accommodation' to calibrate liquidity and ensure that government borrowings face no disruption, its strategy changed by hitting the pause button on rate hike. The policy strategy may still indicate rate adjustment to curb inflation expectations, should inflation surprise on the upside beyond tolerance. In our view, growth expectations would take precedence over sticky inflation in the medium term, and RBI may have just hit the pause button as the inflation trajectory is estimated to be below 6% for the rest of FY24.

Sector Overview and Outlook:

The Indian commercial vehicle (CV) industry registered a volume growth of circa 22% in FY23. AUM growth of CV financing NBFCs is estimated to be 14%-15% in FY23. Growth of CV sector is primarily hinged on the sales volumes, which in turn is directly correlated to economic growth. On the backdrop of growth in CV sales, CV financing is also expected to bounce back, especially used CV financing backed by improved fleet utilisations, strong replacement demand and pickup in the road construction projects across the country. In FY20, CV sales declined led by implementation of revised axle load norms, the improved vehicle availability on account of improved turnaround time post-GST implementation and overall slowdown in the economy. The transition from BS IV to BS VI increased the cost by nearly 10% -15% which further impacted new CV sales in FY21. Impact was also amplified by the Covid-19-led lockdown in FY21 and FY22. In this period used CV financing segment performed well backed by used CV's multi-purpose usability such as pick up of sand, cement, grains etc. as against the new CV which is generally used for only specific applications in addition to low cost of used commercial vehicles and resultantly lower EMI. Especially, the used Light Commercial Vehicle (LCV) segment benefitted the most. LCV segment especially the used LCV segment is also witnessing healthy demand from e-commerce, agriculture, and its allied sectors. Post pandemic uptick in demand for small commercial vehicles has also been witnessed. Expectation of a normal monsoons this year imply healthy demand for tractors to sustain and asset quality to remain stable through FY24. Rapid development and evolution of the used personal vehicles in the country has helped drive the demand for used personal cars. Fundamental shift in buying pattern, easy availability of certified used personal vehicles, easy sale options of personal vehicles and built-up of large inventories and varieties over the past few years implies structural tailwinds for the used car market in the country over the next decade and more.

Company Overview:

Vastu Finserve India Private Limited is a wholly owned subsidiary of Vastu Housing Finance Corporation Limited. Vastu Housing Finance was operationalised in 2016, with the aim of meeting the housing and mortgage credit needs of low- and middle-income segments in semi-urban and rural areas. Since its founding, Vastu Housing Finance has built strong fundamentals in people, technology, analytics, distribution and risk. Leveraging the strengths & network of the parent company, Vastu Finserve was established to meet various personal and business credit needs of the emerging classes of customers. The Company provides commercial vehicle and used car loans to MSMEs. Vastu Finserve's business under the NBFC was operationalised in September 2019 and has since grown to effectively complement the housing finance business together, becoming a one-stop shop for diverse credit needs of middle India comprising of semi-urban and rural areas. The Company is present in 12 states with 62 branches as at end-March 2023.

SCOT

Strengths

- Entrenched geographical footprint spread across 12 states, ensuring growth longevity and low concentration risk
- Completely paperless process with seamless customer experience
- Technology focus backed by data science and analytics
- Omni channel distribution strategy
- Scalable institutional franchise aided by leadership and management depth
- Demonstrated execution capability
- Well established relationships with public, private as well as foreign banks, other financial institutions and investors

Challenges

- Rising interest rate regime
- Tightening macro liquidity scenario

Opportunities

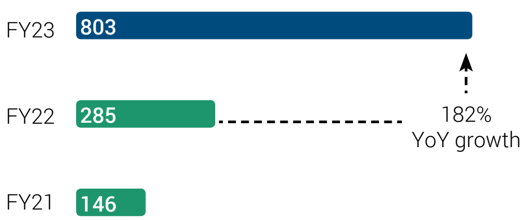
- Consolidation of the logistics sector into a hub-and-spoke model would drive increased sales of light commercial vehicles
- Rapid expansion and development of the used car ecosystem in India
- Ability to drastically bring down lending TAT (turnaround time) in the segment backed by best-in-class technology and decision science capabilities
- Ability to partner and co-lend
- Bring in enhanced efficiency through usage of technology and analytics
- Ability to leverage and create additional cross sell opportunities

Threats

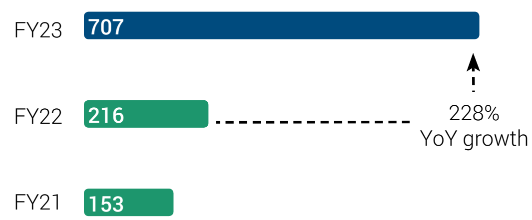
- Adverse macro-economic and geopolitical conditions
- Rising competition from large lenders and fintech companies

Key performance highlights (₹ in crore)

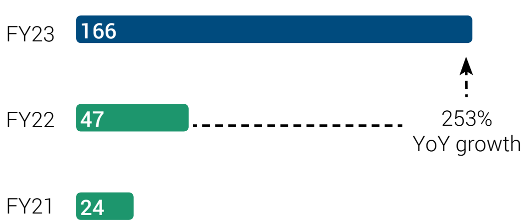
AUM



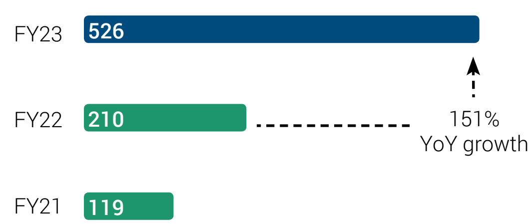
Disbursement



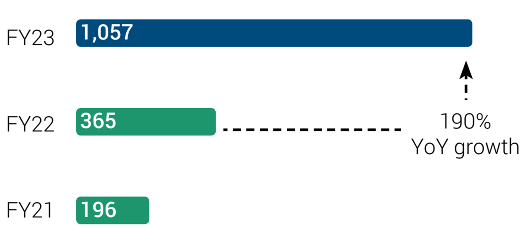
Used car



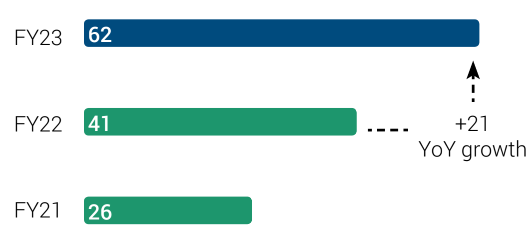
Used CV



Balance sheet size



Branches (including shared)



Performance and Operating review as at end-March 2023:

The Company reported robust set of numbers across all key parameters for the year under review; registering a year-on-year (YoY) improvement in growth, profitability, and asset quality despite inflation remaining sticky through the year and the steep rate hikes.

Growth:

- Total Assets Under Management (AUM) stood at ₹ 803 crore as against ₹ 285 crore as at end-March 2022, representing a YoY growth of 182%.
- AUM for used car segment grew 253% YoY given increased focus on the segment whlist AUM for used CV segment grew 151% YoY.
- Total assets grew 190% YoY.
- Total disbursements grew 228% YoY led by sharp focus and dedicated execution.
- Disbursements for the used CV segment grew 191% YoY whilst disbursements for the used car segment grew 310% YoY.

Profitability:

- Net interest income grew 85% YoY backed by strong loan growth.
- Total income (Net interest income + Other income) grew 80% YoY implying strong operating performance.
- Interest spread (margin) remains healthy at circa 9.1%.
- Significant strategic investments through the year including hiring and nurturing talent and infrastructure expansion amongst other key investments led to 88% YoY increase in operating expenses. Despite large strategic investments, operating expense to income ratio in FY23 was modest at 70.9% vs 67.9% in FY22. Operating leverage would start playing FY24 onwards.
- Pre–provisioning operating profit grew at healthy rate of 62% YoY to ₹ 16 crore.
- Company reported a record Profit After Tax of ₹ 11.1 crore for FY23 as against ₹ 5.4 crore for FY22, representing a YoY growth of 103%.
- Company reported return on average assets (ROA) of 1.6% in FY23 as against 1.9% in FY22; significant strategic investments and large part of the asset book addition only in the 2H of the fiscal led to the optical decline in ROA.
- Company reported return on average net worth of 5.1% in FY23 vs 5.0% in the previous financial year.

Asset Quality:

Vastu Finserve implemented changes suggested by The Reserve Bank of India (RBI) guidelines through its circular no. DOR.STR. REC.68/21.04.048/2021-22 dated November 12th, 2021 pertaining to the Income Recognition, Asset Classification and Provisioning (IRACP norm) from November 2021 onwards. Stage 3 asset numbers reported November 2021 onwards reflect the change.

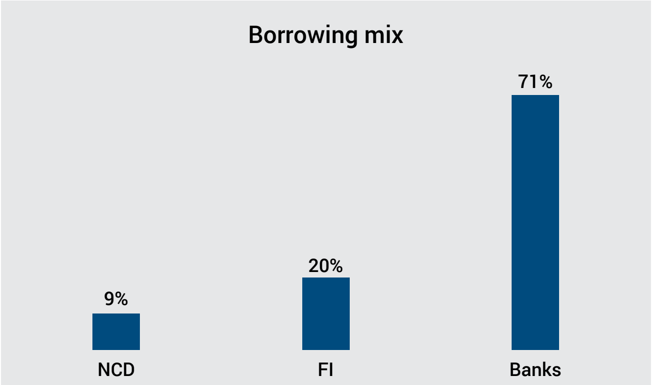
- Stage 3 assets as a percentage of AUM improved to 0.78% as at end-March 2023 vs 0.83% as at end-March 2022.
- Company ended the year with a robust expected credit loss (ECL) provision cover on stage 3 assets of 60% encompassing significant management overlay provisions.
- Net stage 3 assets as a percentage of AUM improved to 0.31% as at end-March 2023 vs 0.33% as at end-March 2022.
- Additionally, as a prudent measure the Company even maintains significant management overlay provisions across stage 1 and stage 2 assets as well.
- Overall credit cost for the financial year FY23 was 139bps (including management overlays).

Liquidity and Capital:

- On balance sheet liquidity remains robust with cash and cash equivalents contributing to 36% of loan book assets as at end-March 2023.
- Interest coverage ratio (interest income/interest expense) in FY23 was 2.56 times.
- Debt-equity ratio for the year stood at 2.28 times as at end-March 2023. Moreover, the Company reported capital adequacy ratio of 38.62% as at end-March 2023; significantly higher than the regulatory requirement of 15%.

Liabilities:

The Company has a diversified liability mix, with participation from private and public sector banks and Financial Institutions (FI). The Company became Systematically Important NBFC-ND-SI and Debt Listed entity post first listed NCD issued in FY23. As at end March, 2023, The Company had ₹ 707 crore of debt on its balance sheet, YoY increase of 207% over the previous year. The Company managed to successfully raise ₹ 700 crore in the financial year via loans, debentures and its first direct assignment transaction from leading private banks, public sector banks and financial institutions. The Company's borrowing mix as on March 31, 2023 is detailed below.



Human Resources:

People are at the core of our operations at Vastu Finserve. Our people strategy is to develop a talent pool of highly empowered team members, including a mix of young, unconventional talent and seasoned leaders, working collaboratively in an entrepreneurial environment and enabled by our capacity to attract top-tier talent. During FY23, we continued to cultivate and nurture talent through targeted training and development opportunities, as well as a culture that promotes openness, respect, meritocracy, and trust. In our journey towards becoming a long-term institutional digital-first housing finance platform in India, we recognise the importance of developing a strong people-driven culture. As a testament to these efforts, the parent Company, Vastu Housing Finance Corporation Limited was awarded **"Best Places to Work in India - 2022"** by AmbitionBox in the mid-sized financial services companies' category.

Our team's depth of talent makes us future-ready and demonstrates our commitment to building a highly differentiated workforce. Our talent pool is scalable, benchmarked against industry-wide best practices, and holds us in good stead to grow into a long-term institutional franchise. The Company's headcount stood at 1,025 as at end-March 2023 versus 403 as at end-March 2022.

ESG & DEI Initiatives:

At Vastu Finserve, we continually strive to limit the impact of our business on the Environment. As a digital-first Non Banking Financial Company, we offer our customers a fully paperless loan processing system through our award-winning tech platform, Pulse. Vastu Finserve has made significant strides in reducing its environmental footprint by becoming one of the few NBFCs to carry out 100% paperless loan processing. We have implemented a range of measures to reduce our environmental impact and promote sustainability. For example, we require all our vendors to comply with statutory requirements for environmental and waste management, and we encourage the efficient use of resources throughout our operations. As part of our ESG policy, we have also implemented an e-waste management framework to ensure the responsible disposal of electronic waste. We have also made significant strides towards reducing our plastic waste, by eliminating usage of single-use plastic in our office premises. We are also proud to have launched an innovative EV financing test program in Madhya Pradesh and Rajasthan. This program is part of our ongoing efforts to promote sustainable transportation and reduce carbon emissions.

At Vastu Finserve, we strongly believe that our people are our most valuable asset, and their well-being is crucial to the success of our organisation. With this vision in mind, we ensure that all Vastu Finserve team members are healthy and focused on their well-being along with their work. We focus on providing a positive work environment that promotes good mental and emotional health, contentment with work, and a positive attitude. The Company offers comprehensive health insurance benefits to all team members, including spouses, children, parents, and parents-in-law. By providing our colleagues access to quality healthcare, we are helping them to lead healthier, more productive lives and take care of themselves and their loved ones. We also regularly organize seminars and campaigns that promote healthy living and wellness including heart care seminars, BMI and Oral Health campaigns, PCOD + Thyroid awareness, among others. By taking these steps, we are demonstrating our commitment to our employee's health and well-being, and promoting a culture of wellness at Vastu Finserve.

Internal Control Systems and Their Adequacy:

The Company has in place adequate financial controls related to financial statements, and these financial controls are operating effectively.

The Company's Internal Financial Control framework, in line with section 134(5)(e) of the Companies Act, 2013, ensures the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention, and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company engages with the services of M/s. KKC & Associates LLP, Chartered Accountants, for checking the effectiveness of internal financial controls and carrying out an internal audit. The internal audit function independently scrutinises audit areas based on audit plans reviewed and approved by the Board. These audit plans are formulated based on a risk evaluation exercise to determine the focus areas for review. Significant Internal Audit findings are periodically reviewed by the Board, and corrective action plans suggested by them are implemented to strengthen internal controls continuously. The main function of the Internal Auditors is to provide the objective assurance of the adequacy and effectiveness of the organisation's risk management control and governance process to the Board of Directors. The Risk Management Committee periodically review various risks associated with the business of the Company and ensure that they have an integrated view of risks faced by the Company.

The Company confirms that it has adequate Internal Financial Controls in place. The Company further confirms the operating effectiveness of such controls.

Risk Management:

Risk management is an integral part of the Company's activities and critical to its success. As a financial intermediary, the Company is exposed to risks that are unique to the activities, environment of operation, and economy as a whole. The corporation has created and implemented comprehensive policies and procedures to analyse, monitor, and manage risks throughout the organization. The risk management process is constantly improved and adapted to new risk scenarios, and its adaptability is assessed for its suitability in the changing risk landscape. Risk Management at Vastu Finserve has well-defined and detailed group policies and practices that have been approved by the Board and are supported by technology, analytics, and decision science. An overview of key risks and mitigants are as follows:

Risk Type	Mitigant
Credit Risk	■ The Company's credit risk is governed by a board approved credit policy that details the approval process and guidelines for monitoring and mitigating risk; ■ The credit appraisal process is a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment, and cash flow analysis to ascertain the credit worthiness of a potential customer; ■ The company has significant data science and analytics skills, which allow for continuous and rigorous monitoring of past-due accounts as well as the identification of early warning indications on the portfolio; ■ Centralised underwriting team has been implemented in the Company for better and fast processing of loans of the non-cash salaried customers and are handled on PAN India basis; ■ The Company has developed machine-learning-driven scorecards that uses traditional and alternative data sources to calculate default likelihood at the loan's commencement; ■ The Company also has a dedicated in-house collections team that actively engages with customers to ensure mutual resolution of stressed accounts.
Market Risk	■ A slew of rigorous board-approved policies that are benchmarked to best industry standards lead the Company's market risk management; ■ In the event of a market-related halt to business operations, the Company has a board-approved business continuity plan in place.
Operational Risk	■ The Company's processes and controls are highly consistent, standardised, and all-important operational processes have been made technology enabled; ■ Continuous oversight examines these operations on a regular basis. As a risk mitigant, this method has enabled transaction predictability; ■ The Company has an agreement with an established record management company, so all physical loan documents are stored in a specialized secured facility; ■ Since all loan originations are digital at Vastu Finserve, scanned copies of loan documents for easy retrieval are readily available.

Risk Type	Mitigant
Liquidity Risk	■ Company at all point in times maintains adequate liquidity in line with its board approved policy; ■ The Company's treasury activities are system driven ensuring standardisation of the process and effective liquidity management; ■ As a part of liquidity risk management framework, the Company's cash flows and Liquidity Risk Ratios (LCR) are maintained as per the required regulatory guidelines; ■ The Company maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities.
Cyber Risk	■ The Company has a strong governance structure in place to ensure effective security management; ■ The Company periodically tests all its IT infrastructure to identify and remedy security issues, if any.
Reputation Risk	■ The Company has a robust risk management framework, which mentions mitigations to deal with crisis management; ■ Customer service is prioritized. This includes prompt resolution of customer grievances, ensuring customers are treated fairly and ethically; ■ The company has a culture of ethical conduct within the company which includes providing regular trainings, applying accountability.

Risk Management Framework:

The Risk Management Framework includes Product Policies and Regulatory Policies on Risk Governance and Risk Reporting at the policy level. These policies have been favourably received by the various teams. Risk management methods have been thoroughly examined and reviewed at each Board meeting. Vastu Finserve Group has created state-of-the-art performance management dashboards which aid in monitoring risk at the transaction, policy, and strategic levels for a comprehensive execution of the Risk Management Framework. The capabilities are important in terms of monitoring all stages of the individual loan and portfolio life cycles. To identify and mitigate these risks, the Company has an effective Risk Management Control Framework that has been developed encompassing all the above areas. The Board of the Company has adopted the Risk Management Policy in order to assess, monitor and manage risk throughout the Company.

Portfolio quality reports, Collection MIS, which monitors collection efficiency through several vectors, static pools, and numerous other analytics reports, are reviewed by the management team on an ongoing basis.

The Risk management framework adopted is enabled by the risk-oriented Company level culture characterised by:

- The rigour and discipline required in managing the portfolio and transactional risk are embedded in the Vastu Finserve culture, with a consensus that risk management is everyone's responsibility.
- Staff members across all verticals appreciate it and actively participate in ensuring that risk management remains strong, even as the Company makes incremental strides in its business growth.
- An iterative process of identifying and evaluating risks, setting risk strategies, and monitoring results are within the oversight of Senior Management & Board of Directors via Risk Management Committee.

Compliance:

At Vastu Finserve, we follow a policy of absolute compliance, regulatory or legal requirements, in both letter and spirit. The Company places overarching importance to ensure compliance with all extant regulations and laws. The dedicated Compliance department strives to be at the forefront of all regulatory changes, and it works in close quarters with the Company's business and operations teams to ensure absolute compliance with all requirements.

Regulatory Update:

During the year, the following key regulatory guidelines were issued and the Company conforms to adhere the same to the extent applicable from time to time within the timelines as prescribed by the regulators:

- **RBI - Disclosures in Financial Statements - Notes to Accounts of NBFCs**

  The Reserve Bank of India ('RBI') vide its Notification dated 19th April, 2022 has provided for disclosure requirements of Non-Banking Finance Companies (NBFCs) in their financial statements in addition to the Scale Based Regulation Framework. These disclosures shall be in addition to, and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards.

- **RBI - Loans and Advances – Regulatory Restrictions – NBFCs**

  The RBI vide its Circular dated 19th April, 2022 has provided Guidelines applicable to NBFC - Middle Layer (ML) and NBFC - Upper Layer (UL) - Regulatory Restrictions on Loans and Advances and those applicable to NBFC - Base Layer (BL) - Loans to Directors, Senior Officers and relatives of Directors.

- **RBI - Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs**

  The Reserve Bank of India ("RBI") vide its Circular dated 11th April, 2022, has introduced certain principles, standards and procedures for Compliance Function of Non-banking financial companies ("NBFC") in the Upper Layer and Middle Layer (NBFC-UL & NBFC-ML) keeping in view the principles of proportionality. It provides for a Board approved Compliance policy and a compliance function including the appointment of a Chief Compliance Officer by 1st April, 2023 and 1st October, 2023 respectively for such NBFCs. The said Circular also provides framework for Compliance Function and Role of Chief Compliance Officer in NBFC-UL & NBFC-ML.

- **RBI - Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs**

  The RBI vide its notification dated 29th April, 2022 has issued guidelines applicable for fixing the compensation policy of Key Managerial Personnel and members of senior management of all Non-Banking Financial Companies (NBFCs) under SBR framework, except those categorised under 'Base Layer' and Government owned NBFCs.

- **RBI - Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents**

  The Reserve Bank of India has from time to time advised regulated entities (REs) that the ultimate responsibility for their outsourced activities vests with them and they are, therefore, responsible for the actions of their service providers including Recovery Agents.

- **RBI - Guidelines on Digital Lending**

  In continuation of the RBI Press release dated August 10, 2022 on Digital Lending, the RBI vide its notification dated September 2, 2022 has issued a detailed guideline on Digital Lending. The REs are advised to ensure that the Lending Service Providers (LSPs) engaged by them and the Digital Lending Apps (DLAs) (either of the RE or of the LSP engaged by the RE) comply with the guidelines contained in the notification.

- **RBI - The transfer of loan exposures directions, 2021**

  RBI has amended the transfer of loan exposures directions, 2021 to allow banks and finance companies to sell stressed loans, which are in default in their books, to asset reconstruction companies (ARCs). Earlier, lenders had to wait until the loans were in default for more than 60 days or classified as non-performing assets (NPAs) for them to be transferred to ARCs. This relaxation will help banks keep their balance sheets clean by selling loans at the first sign of trouble, even before they classify them as default.

- **SEBI - SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2022**

  The SEBI vide its notification dated 11th April, 2022 has substituted the provisions of Regulation 54 by inclusion of 'Security Cover' in place of 'Asset Cover'. The said amendment provides for secured debt securities and percentage of security cover as against its earlier asset cover. Further, Regulation 56 also provides for a half-yearly certificate regarding maintenance of 100% security cover or higher security cover as against maintenance of asset cover.

- **SEBI - SEBI (Debenture Trustees) (Amendment) Regulations, 2022**

  The SEBI vide its notification dated 11th April, 2022 has amended the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

- **SEBI - SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2022**

  The SEBI has vide its notification dated 11th April, 2022 amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The said amendment provides for additional obligations of Issuer and Lead Manager to ensure that the secured debt securities are secured by 100% security cover or higher security cover as per the terms of the offer document and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the issued debt securities.

- **SEBI - Revised format of security cover certificate, monitoring and revision in timelines**

  The SEBI vide its Circular dated 19th May, 2022 has provided revised format of security cover certificate, periodical monitoring and revision in timelines in view of the operational challenges faced in complying with certain provisions of its earlier Circulars.

- **SEBI - Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper**

  The SEBI vide its Circular dated 29th July, 2022 has prescribed an Operational Circular for effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place.

- **SEBI - Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence**

  The Securities and Exchange Board of India (SEBI) vide its Circular dated 4th August, 2022 in continuation to its earlier circular in this regard has laid down revised requirements relating to encumbrance, creation of security and related due diligence by Debenture Trustees (DTs).

- **SEBI - Review of provisions pertaining to Electronic Book Provider platform**

  SEBI vide Circular dated 10th October, 2022 has replaced Chapter VI (Electronic Book Provider platform) of the Operational Circular dated 10th August, 2021 to address the key issues. It has also introduced the concept of 'anchor investor' as an option, in order to enable issuers to assess the demand and receive assurance from certain prospective investors towards subscription. It said the quantum of allocation to anchor investors will be at the discretion of the issuer, subject to total allocation to anchor investors not exceeding 30% of the base issue size. Also, there would be no bidding for anchor portion on EBP. a private placement of debt securities and NCRPS, if it is a single issue/ shelf issue and subsequent issue of ₹ 50 crore or more, then the issues of securities shall be made through the EBP platform. Previously, the threshold limit was ₹ 100 crore.

- **SEBI - Reduction of denomination for debt securities and non-convertible redeemable preference shares**

  SEBI vide Circular dated 28th October, 2022 has reduced denomination for debt securities and non-convertible redeemable preference shares which provides that the face value of each debt security or non-convertible redeemable preference share issued on private placement basis shall be ₹ 1 lakh and the trading lot shall be equal to the face value. Previously, it was ₹ 10 lakh.

- **SEBI - Standard Operating Process under SEBI(PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database ("SDD")**

  Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015, inter alia, require listed companies to maintain SDD. In this regard, the Exchange has issued circulars inter alia Specifying timelines for submission of SDD Compliance certificate and action to be taken against companies which are found to be non-compliant

- **SEBI - SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023**

  SEBI vide notification dated 2nd February 2023 has amended Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021.

- **SEBI - Circular on Adoption of Best Cybersecurity Practices by SEBI Regulated Entities**

  In view of the increasing cybersecurity threat to the securities market, Securities Exchange Board of India vide circular dated 22nd February, 2023 has advised SEBI regulated entities (REs) to implement the practices stated in the said Circular.

- **SEBI - SEBI Clarification on amendment to Articles of Association**

  As per regulation 23 (6) of the NCS regulation, Articles of the existing debt listed issuer is required to be amended to include the provisions with respect to the requirement of Board of Directors to appoint a person as nominated by the debenture trustee in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. It provides for time period of upto 30th September 2023.

- **BSE - Quarterly Compliance Certificate on Structured Digital Database (SDD)**

  The BSE vide circular dated 28th October, 2022 has provided a Standard Operating Process under SEBI (PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (SDD) by the listed companies. The listed companies are required to submit a quarterly compliance certificate certified either by the compliance officer or a Practicing Company Secretary (PCS) in the prescribed format.

- **MCA - Companies (Appointment and Qualification of Directors) Amendment Rules, 2022**

  The Ministry of Corporate Affairs (MCA) vide its Notification dated 1st June, 2022 has amended the Companies (Appointment and Qualification of Directors) Rules, 2014. Pursuant to the said amendment, if the person seeking appointment as a Director of the Company is a national of a country which shares land border with India, necessary security clearance from the Ministry of Home Affairs, Government of India shall also be attached along with the consent in Form DIR 2.

- **MCA - Companies (Appointment and Qualification of Directors) Second Amendment, Rules, 2022**

  The MCA vide its Notification dated 10th June, 2022 has amended the Companies (Appointment and Qualification of Directors) Rules, 2014. Pursuant to the said amendment, any individual whose name has been removed from the databank under sub-rule (4), may apply for restoration of his name on payment of fees of ₹ 1,000 and the Institute shall allow such restoration subject the following conditions laid down under the notification.

- **MCA - Companies (Accounts) Fourth Amendment Rules, 2022**

  The Ministry of Corporate Affairs (MCA) vide its Notification dated 5th August, 2022 has amended the Companies (Accounts) Rules, 2014. Pursuant to the said amendment, the books of accounts and other books and papers of a company maintained in electronic mode, must remain accessible in India at all times and their back-up, including at a place outside India, if any, must be kept in servers physically located in India on a daily basis.

Cautionary Statement:

This document contains statements pertaining to the Company's objectives, projections, estimates, and expectations, which may include "forward-looking statements" within the scope of applicable laws & regulations. Forward-looking statements are based on certain assumptions and expectations of future events and are subject to inherent risks and uncertainties. The Company cannot guarantee the accuracy or fulfilment of these assumptions and expectations. The actual outcome may significantly deviate from the expectations that have been expressed or implied in the statement due to external factors, that are beyond the Company's control. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent developments.

BOARDS' REPORT

Dear Shareholders,

Your Company, Vastu Finserve India Private Limited **(the 'Company')**, is a Non-Banking Finance Company registered with Reserve Bank of India **("RBI")** which is engaged in the business of providing finances to meet credit needs of the emerging classes of customers engaged in micro, small and medium enterprises. Your Company is regulated by the RBI.

Your Directors have pleasure in presenting the 5th Annual Report on the business and operational performance of the Company together with the Audited Financial Statements and the Report of the Auditors for the financial year ended 31st March, 2023.

1. STATE OF COMPANY'S AFFAIRS:

FINANCIAL PERFORMANCE OF THE COMPANY:

The financial performance of your Company is summarised below:

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	8,078.20	4,013.80
Other Income	248.08	215.38
Total Revenue	**8,326.28**	**4,229.18**
Profit/(Loss) before Finance Cost, Depreciation and Taxation	3,835.13	1,791.34
(Less): Finance Cost	2,839.84	1,175.33
(Less): Depreciation and Amortisation expense	126.63	91.56
Profit/(Loss) Before Tax	**868.66**	**524.46**
(Less): Tax expense	(236.46)	(20.24)
Profit/(Loss) After Tax	**1,105.12**	**544.70**

2. OPERATIONAL HIGHLIGHTS:

Particulars	31st March 2023	31st March 2022
Number of branches	30	26
Number of borrowers	15,822	9,383
Amount sanctioned (₹ in Lakh)*	70,843.22	21,598.59
Amount disbursed (₹ in Lakh)*	70,701.14	21,566.36
Amount outstanding (₹ in Lakh)*	80,341.50	28,394.55

** Value at Gross Level*

3. BUSINESS OVERVIEW:

a. **Revenue from operations:**
Your Company's revenue from operations for the current financial year is ₹ 8,078.20 Lakh as compared to ₹ 4,013.80 Lakh in the previous financial year.

b. **Profit/Loss before Tax:**
Your Company's profit before tax for the current financial year is ₹ 868.66 Lakh as compared to ₹ 524.46 Lakh in the previous financial year.

c. **Profit/Loss after Tax:**
Your Company's profit after tax for the current financial year is ₹ 1,105.12 Lakh as compared to ₹ 544.70 Lakh in the previous financial year.

d. Key highlights of the Company's Business Performance:

i. Net Loans and Advances on books has increased to ₹ 76,815.57 Lakh as on 31st March, 2023, from ₹ 28,628.04 Lakh as on 31st March, 2022, representing increase of circa 168% YoY;

ii. Net-worth of the Company increased to ₹ 30,983.93 Lakh as on 31st March, 2023, from ₹ 12,382.45 Lakh as on 31st March, 2022;

iii. Total borrowing and debt equity ratio are ₹ 70,666.68 Lakh and 2.28 times respectively for year ended 31st March, 2023 compared to ₹ 23,037.02 Lakh and 1.86 times in the previous financial year;

iv. Total revenue increase to ₹ 8,326.28 Lakh for year ended 31st March, 2023, from ₹ 4,229.18 Lakh in the previous financial year representing an increase of circa 97% YoY.

e. Earnings per Share:

The Earning per Share was ₹ 1.11 for the current financial year as compared to ₹ 0.64 in the previous financial year.

f. Net Owned Funds:

The Net Owned Funds of the Company for the current financial year stood at ₹ 30,158.99 Lakh as compared to ₹ 12,233.29 Lakh in the previous financial year.

4. DIVIDEND:

In order to conserve resources for better growth opportunity, your Directors have not recommended any dividend for the financial year ended 31st March, 2023.

5. TRANSFER TO RESERVES:

During the financial year under review, your Company has transfer ₹ 173.73 Lakh to the Special Reserve u/s 45-IC of the RBI Act, 1934.

6. REVISION OF FINANCIAL STATEMENTS:

There was no revision in the Financial Statements for the financial year ended 31st March, 2023.

7. SHARE CAPITAL:

During the financial year under review, your company has increased its Authorised Share Capital, which was duly approved by the Board and Shareholders of the Company. The details of the increase in the Authorised Share Capital of the Company are summarised below:

- The Board of Directors at its meeting held on 28th April, 2022 had approved increase in the Authorised Share Capital from ₹ 100 Crore to ₹ 102 Crore subject to Shareholders approval, which was duly approved by the Shareholders at their meeting held on 8th June, 2022; and
- The Board of Directors at its meeting held on 21st October, 2022 had approve increase in the Authorised Share Capital of the Company from ₹ 102 Crore to ₹ 150 Crore subject to Shareholders approval, which was duly approved by the Shareholders at their meeting held on 28th December, 2022.

The Board of Directors of the Company at their meetings held on 28th April, 2022 had approved issuance of equity shares. The details of the allotment made by the company during the financial year under review are provided below:

- 48,07,692 equity shares of ₹ 10/- each which were offered at premium of ₹ 42/- each to the existing shareholders of the Company vide offer letters dated 4th May, 2022 which were allotted on 10th May, 2022;
- 48,07,692 equity shares of ₹ 10/- each which were offered at premium of ₹ 42/- each to the existing shareholders of the Company vide offer letters dated 28th July, 2022 which were allotted on 3rd August, 2022;
- 48,07,692 equity shares of ₹ 10/- each which were offered at premium of ₹ 42/- each to the existing shareholders of the Company vide offer letters dated 29th August, 2022 which were allotted on 5th September, 2022;
- 83,23,622 equity shares of ₹ 10/- each which were offered at premium of ₹ 50.07/- each to the existing shareholders of the Company vide offer letters dated 25th January, 2023 which were allotted on 3rd February, 2023; and
- 83,23,622 equity shares of ₹ 10/- each which were offered at premium of ₹ 50.07/- each to the existing shareholders of the Company vide offer letters dated 17th February, 2023 which were allotted on 27th February, 2023;

The Share Capital structure of the Company as on 31st March, 2023, is as follows:

	(₹ in Lakh)
Authorised Capital:	
15,00,00,000 Equity Shares of ₹ 10/- each	15,000.00
Issued, subscribed and paid-up Share Capital:	
11,86,10,570 Equity Shares of ₹ 10/- each	11,861.06

Your Company has neither issued sweat equity shares nor equity shares with differential rights as on 31st March, 2023.

Your Company has not issued any convertible instruments.

During the year under review, your Company has not granted any Employee Stock Options to the director and employees of the Company.

8. CAPITAL ADEQUACY RATIO (CAR):

As on 31st March, 2023, your Company's total CAR, calculated in line with RBI regulations, stood at 38.26% well above the regulatory minimum requirement of 15%. Tier I CAR as on 31st March, 2023 was 37.60%.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

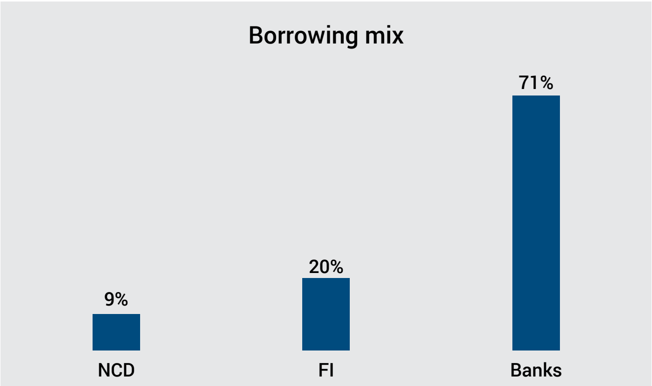
The Management Discussion and Analysis Report for the financial year 2022-23 as stipulated in the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI, forms part of this Annual Report.

10. INDIAN ACCOUNTING STANDARDS (IND AS):

Being a Wholly Owned Subsidiary of Vastu Housing Finance Corporation Limited, your Company has adopted the Indian Accounting Standards **('Ind AS')** notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and amended from time to time for preparation of its financial statements.

11. BORROWINGS:

The Company has a diversified liability mix, with participation from private and public sector banks and financial institutions. The Company became Systematically Important NBFC-ND-SI and Debt Listed entity post first listed NCD issued in FY23. As at end March, 2023, The Company had ₹ 70,666.68 Lakh of debt on its balance sheet, YoY increase of 205% over the previous year. The Company managed to successfully raise ₹ 70,000 Lakh in the financial year via loans, debentures and its first direct assignment transaction from leading private banks, public sector banks and Financial Institutions (FI). The Company's borrowing mix as on March 31, 2023 is detailed below:



12. RESOURCE MOBILISATION:

Term Loans/Short Term Banking Facilities:

As on 31st March, 2023, the Company's outstanding term loans stood at ₹ 64,132.64 Lakh.

Non-Convertible Debentures (NCDs):

As on 31st March, 2023, the Company's outstanding privately placed NCDs stood at ₹ 6,534.04 Lakh.

The Company has been regular in making the payment of principal and/or interest amount due on the respective due dates for the NCDs. As at 31st March, 2023, there were no NCDs or principal or interest thereon, remaining unclaimed or unpaid.

Your Company had allotted 2,500 Senior, Secured, Rated, listed, Redeemable Non-Convertible Debenture on 31st March, 2023 on private placement basis, which were admitted for trading in the debt segment of BSE Limited on 5th April, 2023. Post listing of the said NCDs, the Company has now been classified as Debt Listed Company with effect from 5th April, 2023.

As per Section 71 of the Companies Act, 2013 and rule made thereunder, Debenture Redemption Reserve (**DRR**) is not required to be created for debentures issued by Non-Banking Financial Company. Accordingly, your Company has not created DRR for NCD issued by it.

13. CREDIT RATING:

The Company enjoys the following credit rating facilities for its borrowing instruments:

Nature of Borrowing	CARE Ratings*	CRISIL Ratings
Bank Loan Facility	CARE AA-/Stable (upgraded)	CRISIL A+/Stable
Non-Convertible Debentures	CARE AA-/Stable (upgraded)	CRISIL A+/Stable

***Ratings were upgraded from CARE in December 2022 to AA-/Stable.**

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors:

The Board of your Company is an apex body, which oversees overall functioning, provides a strategic, direction, guidance, leadership and owns the fiduciary responsibility to ensure that your company's actions and objectives are aligned in creating long term value for its stakeholders. The Board helps your Company in adhering high Corporate Governance standards.

As on 31st March, 2023, the Board of your Company consisted of following Three (3) Directors consisting of two (2) Non-Executive Directors and One (1) Executive Director.

Name of the Director	Position held during the FY 2023
Mr. Sandeep Menon	Whole Time Director
Mr. Sudhir Variyar	Non-Executive Director
Mr. Vijay Kumar	Non-Executive Director

There has been no change in the composition of the Board of your Company during the financial year under review.

Based on the confirmations received in terms of the provisions of Section 164 of the Companies Act 2013, none of the directors of the Company are disqualified from being appointed/continuing as Directors of the Company.

The Company has received declarations under section 184(1) read with rule 9(1) from the Directors stating their interest or concern in other companies.

Fit and Proper Declarations given by the Directors:

Pursuant to Chapter XI – Corporate Governance of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI, the Company has received the requisite declaration and undertaking from all the directors of the Company.

Directors liable to retire by rotation:

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, Mr. Sudhir Variyar (DIN: 00168672), the Non-Executive Director, shall retire by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting of the Company. A brief profile of Mr. Sudhir Variyar has been included in the notice convening the ensuing AGM of the Company.

Key Managerial Personnel ("KMP")

Pursuant to the provisions of Section 203 of Companies Act, 2013 following are the Key Managerial Personnel (KMP) of the Company as at 31st March, 2023:

Name of the KMP	Position
Mr. Sandeep Menon	Whole Time Director
Mr. Udit Kariwala*	Chief Financial Officer
Ms. Nikita Nath	Company Secretary

** Mr. Udit Kariwala was appointed as the Chief Financial Officer of the Company w.e.f. 4th June, 2022 pursuant to cessation of Mr. Vikki Soni as the Chief Financial Officer of the Company w.e.f. the close of business hours on 3rd June, 2022.*

Compliance Officer:

Upon the cessation of Mr. Vikki Soni as the Compliance Officer of the Company, Mr. Sanjay Chaturvedi, Head of Treasury of the Company was appointed as the Compliance Officer of the Company effective from 4th June, 2022, to monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank of India and other concerned statutory and governmental authorities.

Pursuant to Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time **(SEBI LODR)**, the Board of Directors of the Company at its meeting held on 1st February, 2023 appointed Ms. Nikita Nath, Company Secretary of the Company as the Compliance Officer to perform such duties and functions as provided under SEBI LODR with respect to issuance and allotment of listed NCDs and any other compliance thereof.

15. BOARD MEETINGS/GENERAL MEETINGS:

Five (5) Board Meetings were held during the financial year 2022-23. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days (Maximum period permitted) between two consecutive board meetings. The details of which are given as under:

Sr. No.	Board Meeting date	Quarter	Number of days from previous Board Meeting
1.	28th April, 2022	April – June	90
2.	3rd June, 2022	April – June	36
3.	9th August, 2022	July – September	67
4.	21st October, 2022	October – December	73
5.	1st February, 2023	January – March	103

During the year under review, 2 (two) general meetings were held, the details of which are under:

Sr. No.	Particulars	Date of Meeting
1.	Annual General Meeting	8th June, 2022
2.	Extra-Ordinary General Meeting	28th December, 2022

Attendance of Directors at Board Meetings and General Meetings held during the financial year:

Sr. No.	Name of Director	Board Meetings held during the financial year	Attendance	
			Board Meeting	Annual General Meeting held on 8th June, 2022
1	Mr. Sandeep Menon	5	5	Yes
2	Mr. Sudhir Variyar	5	5	Yes
3	Mr. Vijay Kumar	5	3	Yes

16. BOARD AND STATUTORY COMMITTEES:

The Board has established following Committees:

- Borrowing and Investment Committee;
- Asset Liability Management Committee;
- Risk Management Committee;

Details of all the committees along with their composition, terms of reference and meetings held during the year are provided in the Corporate Governance Report which forms part of the Annual Report.

The Company shall constitute statutory and regulatory Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders and Relationship Committee, Corporate Social Responsibility Committee and IT Strategy Committee to comply with the applicable provisions of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and other applicable laws to the Company as the asset size of the Company has exceeded ₹ 500 Crore.

17. CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report for the financial year 2022-23 as stipulated in the Section II (A) - Corporate governance of RBI Circular dated 19th April, 2022 on Disclosure in Financial Statements – Notes to Accounts of NBFCs read with RBI Circular dated 22nd October, 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs, forms part of the Annual Report.

18. RELATED PARTY TRANSACTIONS:

There are no material significant related party transactions made by the Company with the Promoters or Directors, etc. which may have potential conflict with the interest of the Company at large.

Transactions entered into with Related Parties as provided in the Notes 38 to Financial Statements did not attract the provisions of Section 188 of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required by the Company.

19. DETAILS OF TRANSACTIONS OF NON-EXECUTIVE DIRECTORS WITH THE COMPANY:

During the year under review, no remuneration or sitting fees were paid to the Non-Executive Directors of the Company.

20. STATUTORY AUDITOR:

Your Company had appointed M/s. Khandelwal Jain & Co, (Firm Registration No. 105049W) (**M/s. Khandelwal Jain**) as the Statutory Auditors of the Company in place of M/s. T. R. Chadha & Co LLP, Chartered Accountants, (Firm Registration No. 006711N/N500028) to fill up the casual vacancy caused by the resignation of M/s. T. R. Chadha & Co LLP considering the notification issued by the Reserve Bank of India (**RBI**) dated April 27, 2021, providing the Guidelines for appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (**RBI Guidelines**). M/s. Khandelwal Jain held the office of Statutory Auditors till 4th Annual General Meeting. The said appointment of M/s. Khandelwal Jain was approved by the Shareholders at their Annual General Meeting held on 8th June, 2022.

As per RBI Guidelines, the Company shall appoint statutory auditor for a continuous period of three (3) years, subject to auditors satisfying the eligibility norms as provided in the said Guidelines. As the term of Office of M/s. Khandelwal Jain was to be completed on 4th Annual General meeting, the Board of Directors of the Company at their meeting held on 28th April, 2022 approved the appointment of M/s. Khandelwal Jain for the period of three (3) consecutive years, commencing from the conclusion of the 4th Annual General Meeting till the conclusion of 7th Annual General Meeting of the Company at such remuneration as is decided by the Board of Directors subject to shareholders approval. The said appointment was approved by the shareholders at Annual General Meeting held on 8th June, 2022.

Auditors' Reports

The Statutory Auditors have not made any adverse comments or given any qualification, reservation, or adverse remarks or disclaimer in their Standalone Audit Reports on the financial statements for FY 2022-23.

Also, the Statutory Auditors have not reported any instances of fraud in the Company committed by officers or employees of the Company under Section 143(12) of the Companies Act, 2013.

21. INTERNAL AUDITOR:

Pursuant to the requirement of Section 138 of the Companies Act, 2013 and rules made thereunder, KKC & Associates LLP were appointed as the Internal Auditors of the Company for financial year 2022-23.

22. SECRETARIAL AUDITOR:

In accordance with Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. Pradeep Purwar & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2022-2023. Your Company has provided all assistance and information to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors in the prescribed Form MR-3 does not contain any audit observations, and accordingly, explanations or comments by the Board are not required to be provided.

The Secretarial Audit Report for the year ended 31st March, 2023 is annexed herewith and forms part of this report.

23. RISK MANAGEMENT FRAMEWORK:

Risk Management is an integral part of the Company's business strategy with a focus on building risk management culture across the organization. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. Risk Management Framework which lays down guidelines for risk identification, assessment, and monitoring as an on-going process that is supported by a robust risk reporting framework. It entails the establishment of robust systems and processes within the Risk Management Framework to mitigate risks effectively. Risk management framework encompasses management and monitoring of Credit risk, Market risk, Liquidity risk, Operational risk (including Fraud risk), Cyber risk, Compliance risk, Reputation risk in addition to any other risk envisaged during the course of the business.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors have constituted several committees, including the Asset Liability Management Committee, Risk Management Committee, and defined their role for monitoring the risk management policies of the Company.

Detail review of Risk MIS, Portfolio quality reports, collection MIS, Data analytics report, and various other analytics and risk matrix are the cornerstones of Vastu's Risk Management, which has been certified as best in class and indicated by performance.

24. DEBENTURE TRUSTEES:

The below mentioned entities act as the Debenture Trustees for the NCDs issued by the Company on private placement basis:

- IDBI Trusteeship Services Limited having its registered office at Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001; and
- Catalyst Trusteeship Limited having its registered office at GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune- 411038.

25. REGISTRAR AND SHARE TRANSFER AGENT:

Link Intime India Private Limited having its registered office at 247 Park, C 101, 1st Floor, L B S Marg, Vikhroli (West), Mumbai, Maharashtra 400083 act as the Registrar and Share Transfer Agent of the Company.

26. COVID-19:

The COVID-19 pandemic has affected the global economy, and India is no exception. Non-banking financial companies (NBFCs) and housing finance companies (HFCs) have been impacted by the pandemic and its aftermath. FY23 was a challenging year for the financial sector, and the pandemic's impact is expected to continue in FY24.

In FY24, the risks of COVID-19 that might impact the NBFCs and HFCs are:

Asset quality: The pandemic has affected the ability of borrowers to repay loans, which remains a challenge to asset quality in FY24, and the company will continue to keep adequate provisions for bad loans.

Liquidity: The pandemic has also affected the liquidity of NBFCs and HFCs. Many companies have faced challenges in raising funds from banks and other sources in FY23. The liquidity situation is expected to remain tight and evolving in FY24.

Interest rates: The change in Monetary Policy Committee stance in FY23 induced by high inflationary trends resulted in The Reserve Bank of India raising the repo rates by 250 bps through the financial year. Any macro-economic disruptions resulting from the pandemic might affect the profitability of NBFCs and HFCs. If the interest rates remain high in FY24, the company might face challenges in maintaining margins.

Economic recovery: The pace of economic recovery will be a critical factor for NBFCs and HFCs in FY24. If the economy recovers quickly, the company may benefit from the increased demand for credit. However, if the recovery is slow, the demand for credit may remain weak, which could impact the growth prospects.

In summary, aftermath of COVID-19 is expected to have some impact on NBFCs and HFCs in India throughout FY24. Resultantly, the Company may have to navigate through any consequential challenges on asset quality, liquidity, regulatory environment, interest rates, and economic recovery to maintain its growth and profitability.

27. REGULATORY AND STATUTORY COMPLIANCES:

The Company is regulated by the statutory regulators including but not limited to the Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchanges and Securities and Exchange Board of India.

All the relevant circulars, notifications, guidelines and Directions issued by the aforesaid statutory regulators were updated to the Board of Directors at regular intervals on compliance of the same. Your Company has adhered to all the applicable circulars, notifications, and guidelines issued from time to time.

Your Company is also in compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder including Secretarial Standards and other applicable statutory requirements.

The shareholders and stakeholders are hereby informed that pursuant to increase in the asset size above ₹ 500 Crore as per the audited financial statements as at 30th September, 2022, the Company shall be classified as Non-Banking Financial Company- Non-Deposit Taking Systemically Important (NBFC-ND-SI) and accordingly the Company has made appropriate application to the Reserve Bank of India in order to comply with the provision of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as may be amended from time to time) issued by the Reserve Bank of India.

28. SCALE BASED REGULATION (SBR): A REVISED REGULATORY FRAMEWORK FOR NBFCS:

Your Company is in Compliance with the applicable circular, directions, notifications and paras of Scale Based Regulation (SBR), a revised regulatory framework for NBFC as notified from time to time.

29. REGULATIONS ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI):

Your Company is in Compliance with the applicable circular, notifications, regulations issued by SEBI from time to time including but not limited to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time as on the date of this report.

30. DEMATERIALISATION OF SHARES AND NON-CONVERTIBLE DEBENTURES:

The Company being wholly owned subsidiary of Vastu Housing Finance Corporation Limited, the Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 on issue of securities in dematerialised form is not applicable to the Company.

The equity shares capital of the Company is in demat form except those which are held by Nominee Shareholders of the Company. The international Securities Identification Number (ISIN) allotted to the Company's equity shares under depository system is INE08Z601011.

As on the date of this report, the Company has issued and allotted all the Non-Convertible Debentures (**NCD**s) in dematerialised form.

31. CHANGE IN NATURE OF BUSINESS:

In the financial year 2022-23, there was no change in the nature of the business of the Company.

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

There are no material changes and commitments, affecting the financial position of your Company, which have occurred between the end of the financial year of the Company, i.e., 31st March, 2023, and the date of this Board's Report**.**

33. DETAILS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES:

Pursuant to Section 2(46) of the Companies Act, 2013, Vastu Housing Finance Corporation Limited is the Holding Company of the Company as it holds 100% stake in the Company.

During the year under review, the Company did not have any Subsidiary, Joint Venture or Associate Company and there were no companies which became or ceased to be the Company's Subsidiary, Joint Venture or Associate Company; accordingly, reporting on the highlights of performance of Subsidiaries, Associates and Joint Venture companies and their contribution to the overall performance of the Company during the period under review, is not required to be made.

34. PERSONNEL:

People are at the core of our operations at Vastu. Our people strategy is to develop a talent pool of highly empowered team members, including a mix of young, unconventional talent and seasoned leaders, working collaboratively in an entrepreneurial environment and enabled by our capacity to attract top-tier talent. During FY23, the Company continued to cultivate and nurture talent through targeted training and development opportunities, as well as a culture that promotes openness, respect, meritocracy, and trust. The Company recognize the importance of developing a strong people-driven culture.

Since inception, the Company has fostered a unique culture of trust, ownership, and empowerment, with accountability. The Company's ethos promotes diversity, inclusiveness, and focuses on driving a meritocratic culture where age or experience holds no bar to achievement and reward. A vast majority of leaders in the Company are young, who, aside from bringing zeal and enthusiasm to work, constantly question the status quo in their strive for operational excellence.

Vastu Finserve strongly believes in moulding leaders of tomorrow and leaves no stone unturned in investing behind its vision for its people.

As on 31st March, 2023, the Company's headcount stood at 1,025.

35. POLICIES AND CODES:

During the year, the Company has reviewed and revised statutory policies as required in terms of provisions of Companies Act, 2013, and guidelines issued by RBI from time to time and placed the revised policies on its website at www.vastufinserve.com

36. DEPOSITS:

The Company being a "Non-Banking Financial Company- Non-Deposit Taking Systemically Important (NBFC-ND-SI)" Company has neither invited nor accepted or held any deposits from the public during the financial year ended 31st March, 2023. Further, the Company will not accept any public deposits during the Financial Year 2023-24 without the prior written approval of the Reserve Bank of India. As per the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India, a resolution in this regard has also been passed by the Board of Directors at its meeting held on 17th April, 2023.

The Company has not accepted any deposits under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31st March, 2023.

37. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGOING:

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the Company lays great emphasis on saving the cost of energy consumption. Therefore, effective measures have been taken to check the loss of energy, as far as possible.

Technology Absorption is not applicable to the Company as the company is carrying on the business of providing loans for various purposes.

During the period under review, the foreign exchange earnings and out-go were as under:

Foreign Exchange earnings	Nil
Foreign Exchange spent	Nil

38. DISCLOSURE UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013:

Mr. Sandeep Menon (DIN: 02032154) is the Managing Director of Vastu Housing Finance Corporation Limited; Holding Company and is in receipt of managerial remuneration from the Holding Company under the provisions of Section 197(1) of the Companies Act, 2013.

Remaining Directors of the Company do not receive any remuneration or commission from the Holding Company.

39. EXTRACT OF ANNUAL RETURN:

The Ministry of Corporate Affairs (MCA) vide Companies (Amendment) Act, 2017 has amended the provisions of Section 92(3) of the Companies Act, 2013 effective from 28th August 2020. Accordingly, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report. The requirement of annexing extract of annual return in Form MGT – 9 has been done away with.

In this regard, the Annual Return in Form MGT-7 for the financial year ended 31st March, 2023, will be available on the website of the Company at www.vastufinserve.com/

40. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES UNDER SECTION 186:

During the Financial Year 2022-23, your Company has not made any investments or given any loans or provided any guarantees in connection with loan falling under the purview of Section 186 of the Companies Act, 2013.

41. CORPORATE SOCIAL RESPONSIBILITY:

The Section 135 of the Companies Act, 2013 and rules made hereunder were applicable to the Company upon increase in the net profit above ₹ 5.00 Crore as at 31st March, 2022. However, the Company was not required to spend any amount towards the CSR activities for the financial year 2022-23 since, the average net profit/loss for preceding three financial years as per Section 198 of the Companies Act, 2013 was ₹ (71.28) Lakh and consequently constitution of CSR Committee was not mandatory for the Company.

42. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate systems of internal controls to ensure that all its assets are safeguarded. Standardised operating procedures, policies and guidelines, including regular monitoring procedures and self-assessment exercises, are the cornerstones of this important function.

The Company has a comprehensive Know Your Customer & Anti Money Laundering (KYC & AML) policy (based on the RBI guidelines/provisions of the Prevention of Money Laundering Act, 2002) incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions. The policy is subject to an annual review and is duly approved by the Board.

43. INSOLVENCY AND BANKRUPTCY CODE, 2016:

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year – **Not Applicable**

44. ONE TIME SETTLEMENT:

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - **No Such Transaction**.

45. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

There were no amounts due and outstanding to be credited to Investor Education and Protection Fund as of 31st March, 2023.

46. INTERNAL FINANCIAL CONTROL RELATED TO FINANCIAL STATEMENTS:

The Company has in place adequate financial controls related to financial statements, and these financial controls are operating effectively.

47. WHISTLE BLOWER POLICY (VIGIL MECHANISM):

In terms of Section 177(9) and Section 177(10) of the Companies Act, 2013 read with the rules made thereunder, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors, employees and external stakeholders to approach Mr. Sandeep Menon, nominated by the Board to play the role of Audit Committee for the purpose of Vigil Mechanism, to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and provide adequate safeguards against victimization of Whistle Blower who avails of such mechanism. Whistle Blower Policy is uploaded on the website of the Company at www.vastufinserve.com.

48. COST RECORDS:

The Company is not required to make and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

49. EVALUATION OF PERFORMANCE OF BOARD, AND INDIVIDUAL DIRECTORS:

In terms of the provisions of the Companies Act, 2013, the Board at its meeting held on 17th April, 2023, carried out the annual evaluation of its own performance as well as individual Directors and expressed its overall satisfaction as to their performance for the financial year 2022-23.

This exercise was carried out through a structured questionnaire prepared separately for Board and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, the effectiveness of strategies, risk management systems, external relationships, ethics and governance framework.

50. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(5) OF THE COMPANIES ACT, 2013:

In terms of Section 134(5) of the Companies Act, 2013; the Directors state to the best of their knowledge and belief and according to the information and explanations obtained by them:

(a) that in the preparation of the annual accounts, the applicable accounting standards been followed and there were no material departures;

(b) that appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023, and of the profit of the Company for that period;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a 'going concern' basis;

(e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively; and

(f) that internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively.

51. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there are no significant and material orders passed by the Regulators/Courts/Tribunals, which will impact the going concern status and operations of the Company in future.

52. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy on prevention, prohibition and redressal of sexual harassment and a formal process for dealing with complaints of harassment of and/or discrimination against women.

During the financial year under review, your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Internal Complaint Committee of the Company has not received any complaint of Sexual Harassment during the financial year under review.

The following is a summary of Sexual Harassment complaints received and disposed-off during the financial year 2022-23:

No. of complaints received: Nil

No. of complaints disposed-off: Nil

53 ACKNOWLEDGEMENT:

The Directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, the Ministry of Corporate Affairs, the Registrar of Companies and all other government and regulatory authorities for the support and co-operation extended by them from time to time.

The Directors place on record their gratitude for the guidance and support extended by National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies from time to time.

The Directors also place on record their sincere appreciation for the continued support extended by the Bankers, Financial Institutions, Lenders, Registrar and Share Transfer Agent, NCD Holders, Debenture Trustee and other stakeholders and the trust reposed by them in the Company.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, dealers, vendors and other business partners for the excellent support received from them during the year.

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

	Sd/-	Sd/-
	Sudhir Variyar	**Sandeep Menon**
Place: Mumbai	Director	Whole Time Director
Date: 17th April, 2023.	DIN: 00168672	DIN: 02032154

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

UDIN: F005769E000112601

To,
The Members,

Vastu Finserve India Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vastu Finserve India Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

i. The Companies Act, 2013 ('the Act') and the rules made thereunder, as amended;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended and to the extend applicable;

iii. Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

iv. Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Provisions of the following Acts, Regulations and Guidelines were not applicable to the Company under the financial year under report:

i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

iii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above, to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors ~~and Independent Director~~. There was no change in the Composition of the Board of Directors of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in most cases and consents for convening the meetings at a shorter notice were obtained in a few instances and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' views which were required to be captured and recorded as part of 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 audit period the company has made:

i. Allotment of following securities:

Date of Allotment	Type of Security	Number of Securities Allotted	Face Value (In Rupees)	Premium (In Rupees)	Amount received on Allotment (In Rupees)
10th May, 2022	Equity Shares	48,07,692	10	42	25,00,00,000
3rd August, 2022	Equity Shares	48,07,692	10	42	25,00,00,000
5th September, 2022	Equity Shares	48,07,692	10	42	25,00,00,000
27th September, 2022	Non-Convertible Debentures	25,000	10,000	-	25,00,00,000
9th November, 2022	Non-Convertible Debentures	15,000	10,000	-	15,00,00,000
3rd February, 2023	Equity Shares	83,23,622	10	50.07	49,99,99,973.54
27th February, 2023	Equity Shares	83,23,622	10	50.07	49,99,99,973.54
31st March, 2023	Non-Convertible Debentures	2,500	100,000	-	25,00,00,000

ii. The Borrowing Limits of the Company has been increased from ₹ 750 crore to ₹ 1000 crore pursuant to the provisions of Section 180 (1)(c) of the Act by passing a Special Resolution at the Annual General Meeting held of the Company held on 08th June, 2022;

iii. Authority to create charge on the properties of the Company not exceeding ₹ 1000 Crore pursuant to provisions of Section 180 (1) (a) of the Act was accorded to the Board of Directors by passing a Special Resolution at the Annual General Meeting held of the Company held on 08th June, 2022;

iv. Authority to raise funds through Private Placement of Unsecured/ Secured Redeemable Non-Convertible Debentures/ Bonds pursuant to the provisions of Sections 42 & 71 of the Companies Act, 2013 for an amount not exceeding ₹ 1000 Crore, in or more tranches during the period of one year from the date of passing of the resolution, by passing a Special Resolution at the Annual General Meeting held of the Company held on 08th June, 2022;

v. The Company has increased its Authorised Share Capital in following manner:

Date of passing Special Resolution	Existing Authorised Share Capital (In Rupees)	Revised Authorised Share Capital (In Rupees)
08th June, 2022	100,00,00,000	102,00,00,000
28th December, 2022	102,00,00,000	150,00,00,000

Pursuant to increase in Authorised Share Capital, the Company had made alteration in Clause V of Memorandum of Association of the Company.

vi. Appointment of M/s. Khandelwal Jain & Co, Chartered Accountants (Firm Registration No. 105049W), as the Statutory Auditors of the Company, for a term of 3 consecutive years till conclusion of Seventh AGM in Compliance with Guidelines issued by the Reserve Bank of India dated 27th April, 2021 ('RBI Guidelines').

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Sd/-
Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: April, 17, 2023

CORPORATE GOVERNANCE REPORT

The Board of your Company is an apex body, which oversees overall functioning, provides a strategic, direction, guidance, leadership and owns the fiduciary responsibility to ensure that your company's actions and objectives are aligned in creating long-term value for its stakeholders. The Board helps your Company in adhering high Corporate Governance practice.

1. Composition of the Board:

Sl. No	Name of Directors	Directors since	Capacity (i.e. Executive/ Non – Executive /Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorship	Remuneration			No of Shares Held in ~~and Convertible instrument held in~~ the NBFC
					Held	Attended		Salary and Compensation	Sitting Fees	Commission	
1.	Mr. Sandeep Menon	28.09.2018	Executive – Whole Time Director	02032154	5	5	1	Nil*	Nil	Nil	43
2.	Mr. Sudhir Variyar	28.09.2018	Non-Executive Director	00168672	5	5	4	Nil	Nil	Nil	1
3.	Mr. Vijay Kumar	28.09.2018	Non-Executive Director	01264590	5	3	5	Nil	Nil	Nil	Nil

** Mr. Sandeep Menon (DIN: 02032154) is the Managing Director of Vastu Housing Finance Corporation Limited; Holding Company and is in receipt of managerial remuneration from the Holding Company under the provisions of Section 197(1) of the Companies Act, 2013.*

Details of change in composition of the Board during the current and previous financial year:

There has been no change in the composition of the Board of your company during the current financial year viz., 2022-23 and previous financial year viz., 2021-22, hence below section is not applicable.

Sl.No	Name of the Directors	Capacity (i.e. Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Nature of change	Effective date
		Not applicable		

Where an independent director resigns before expiry of his/her term, the reasons for resignation as given by him/her shall be disclosed.

Not applicable

2. Committees of the Board and their composition:

The Board of your Company has established various committees, the names of which along with its members and summarized terms of reference is given below:

A. Borrowing and Investment Committee:

The Borrowing and Investment Committee of the Board comprised of 2 (two) directors of whom one is Executive – Whole Time Director and one is Non-Executive Director. The Borrowing and Investment Committee held 24 (Twenty-Four) meetings during the financial year under review.

Below are the requisite details of the Borrowing and Investment Committee in terms of Section II (A)- Corporate governance of RBI Circular dated 19th April, 2022 on Disclosure in Financial Statements - Notes to Accounts of NBFCs read with RBI Circular dated 22nd October, 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs;

Sl. No	Name of Director	Members of Committee since	Capacity (i.e. Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Committee meeting		No of Shares Held in NBFC
				Held	Attended	
1	Mr. Sandeep Menon	31.07.2019	Executive – Whole Time Director	25	25	43
2	Mr. Vijay Kumar	31.07.2019	Non-Executive Director	25	25	Nil

The summary of terms of reference of Borrowing and Investment Committee, inter alia, includes the following:

- To borrow from banks / financial institutions / NBFC / Reserve Bank of India/ any other lender within the overall limit approved;
- To pass necessary resolution for opening, operating and closing of bank accounts as may be necessary to avail the borrowing facilities;
- To pass necessary resolution for opening, the bank accounts as may be necessary for placing fixed deposits with the banks;
- To pass necessary resolution for addition/deletion of signatories of the existing bank accounts and for change in instructions for placing fixed deposits with the banks;
- To pass necessary resolution for executing and entering into a direct assignment transaction; and
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

B. **Asset Liability Management Committee:**

The Asset Liability Management (ALM) Committee of the Board comprised of 6 (six) members of whom 1 (one) is Executive – Whole Time Director of the Company and other 5 (five) are the officials of the Company and Holding Company. The Asset Liability Management Committee held 6 (six) meetings during the financial year under review.

Below are the requisite details of the ALM Committee in terms of Section II (A) - Corporate governance of RBI Circular dated 19th April, 2022 on Disclosure in Financial Statements - Notes to Accounts of NBFCs read with RBI Circular dated 22nd October, 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs;

Sl. No	Name of Director	Members of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Committee meeting		No of Shares Held in NBFC
				Held	Attended	
1	Mr. Sandeep Menon	27.04.2021	Executive – Whole Time Director	6	6	43
2	Mr. Sujay Patil	27.04.2021	Chief Operating Officer – Holding Company	6	6	Nil
3	Mr. Udit Kariwala	28.01.2022	Chief Financial Officer	6	6	Nil
4	Mr. Satish Nair	27.04.2021	Head Treasury and Corporate Affairs - Holding Company	6	5	Nil
5	Mr. Sanjay Chaturvedi	28.04.2022	Head of Treasury	6*	5	Nil
6	Mr. Mayank Jhawar	01.02.2023	Senior Vice President – Treasury, Holding Company	6**	1	Nil

**Mr. Sanjay Chaturvedi was appointed as the member of the ALM Committee with effect from 28th April, 2022.*
***Mr. Mayank Jhawar was appointed as the member of the ALM Committee with effect from 1ST February, 2023*

The summary of terms of reference of ALM Committee, inter alia, includes the following:

- To set policy and manage the structural balance sheet risks arising over the time, resulting from the company's normal business activities and originate for meeting changing demands of clients;
- To take decisions on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches;
- To ensure adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy.
- To review the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company; and
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

C. Risk Management Committee:

The Risk Management Committee (RMC) of the Board comprised of 6 (six) members of whom 1 (one) is Executive – Whole Time Director of the Company and other 5 (five) are the officials of the Company and Holding Company. The RMC held 4 (four) meetings during the financial year under review.

Below are the requisite details of the RMC Committee in terms of Section II (A) - Corporate governance of RBI Circular dated 19th April, 2022 on Disclosure in Financial Statements - Notes to Accounts of NBFCs read with RBI Circular dated 22nd October, 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs:

Sl. No	Name of Director	Members of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Committee meeting		No of Shares Held in NBFC
				Held	Attended	
1	Mr. Sandeep Menon	27.04.2021	Executive – Whole Time Director	4	4	43
2	Mr. Sujay Patil	27.04.2021	Chief Operating Officer – Holding Company	4	4	Nil
3	Mr. Udit Kariwala	28.01.2022	Chief Financial Officer	4	4	Nil
4	Mr. Satish Nair	27.04.2021	Head Treasury and Corporate Affairs - Holding Company	4	4	Nil
5	Mr.Nikhil Carvalho	09.08.2022	Head – Information Technology - Holding Company	4*	2	Nil
6	Mohd. Shakil Khan	28.01.2022	Chief Risk Officer - Holding Company	4	4	Nil

**Mr. Nikhil Carvalho was appointed as the member of the RMC with effect from 9th August, 2022.*

The summary of terms of reference of RMC, inter alia, includes the following:

- To develop and implement a risk management policy for the company, identification therein of element of risk, if any, which may threaten the existence of the company;
- To identify, monitor and measure of the risk profile of the Company (including market risk, operational risk and transactional risk);
- To evaluate the overall risks faced by the company including liquidity risk;

- To perform any other act, duty as stipulated by the Companies Act, Reserve Bank of India and any other regulatory authority, as prescribed from time to time.
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

3. General Body Meetings:

Below are the details of the general meetings held during the financial year under review:

Sl.No	Type of the Meeting (Annual/Extra Ordinary)	Date and place	Special Resolution passed
1	Annual General Meeting	Date: 8th June, 2022 Place: Unit Nos. 203 & 204, 2nd Floor, A wing, Navbharat Estates, Zakaria Bunder Road, Sewri, Mumbai 400015	■ To approve issuance of Non-Convertible Debentures and other similar instruments on private placement basis; ■ To approve increase in the Borrowing limits under Section 180(1)(c) of the Companies Act, 2013; ■ To Approve creation of charge on properties of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013; ■ To approve increase in Authorised Share Capital from ₹ 100 Crore to ₹ 102 Crore and alteration of the Memorandum of Association of the Company.
2	Extra Ordinary General Meeting	Date: 28th December, 2022 Place: Unit Nos. 203 & 204, 2nd Floor, A wing, Navbharat Estates, Zakaria Bunder Road, Sewri, Mumbai 400015	■ To approve increase in Authorised Share Capital from ₹ 102 Crore to ₹ 150 Crore and alteration of the Memorandum of Association of the Company; ■ To approve issuance of Non-Convertible Debentures and other similar instruments on private placement basis.

4. DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013: (GIVE DETAILS AND REASONS OF ANY DEFAULT IN COMPLIANCE WITH THE REQUIRE MENTS OF COMPANIES ACT, 2013, INCLUDING WITH RESPECT TO COMPLIANCE WITH ACCOUNTING AND SECRETARIAL STANDARDS)

There were no default/non-compliance with requirement of Companies Act, 2013 during the financial year under review.

5. DETAILS OF PENALTIES AND STRICTURES: (NBFCS SHOULD DISCLOSE DETAILS OF PENALTIES OR STRICTURE IMPOSED ON IT BY THE RESERVE BANK OF INDIA OR ANY OTHER STATUTORY AUTHORITY)

During the financial year under review, there were no penalties or stricture imposed on the Company by the Reserve Bank of India or any other statutory authority.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Vastu Finserve India Private Limited
Report on the Audit of Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Vastu Finserve India Private Limited ('Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date, the Statement of Change in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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

2. Basis for Opinion

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

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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 matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key Audit Matter
Impairment of financials asset (expected credit loss) Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters: • The Company has grouped its loan portfolio into Loan Against property, Business Loans and Vehicle Loans. Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.	■ Our audit procedures included reviewing the Company's accounting policies for impairment of financial instruments and assessing compliances in terms of Ind AS 109. ■ Understood and assessed the Company's processes and controls on measurement and recognition of impairment in the loan portfolio. ■ Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and determining the probability weighted default (PD) and loss-given default (LGD) rates including comparison with those of peers. ■ Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Test checked loans in Stage 1-3 to ascertain that they were allocated to the appropriate stage. We also reviewed a sample of stage 1 and Stage 2 loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.

Key Audit Matter	How our audit addressed the key Audit Matter
■ Estimation of losses in respect of those group of loans which had no / minimal defaults in the past. ■ Staging of loans and estimation of behavioural life. ■ Estimation of expected loss from historical observation of Company and its peers. The Company has developed model that derive key assumptions used within the provision calculation such as Probability of Default (PD). Additionally, Loss Given Default (LGD) is estimated for these groups' basis historical observation of the Company and its peers. The output of these model and estimate about LGD including other information is then applied to the Exposure at Default (EAD) for the provision calculation. Considering the significance of such provisions to the overall financial statement and the degree of management's judgment involved in estimation of ECL, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.	■ Performed sample testing to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. ■ Test checked the collateral security available for loans. ■ Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. ■ Assessed the disclosures included in the Ind AS financial statements with respect to such allowance / estimate in accordance with the requirements of Ind AS 109 and Ind AS 107.
IT Systems and controls The Company's financial accounting and reporting are highly dependent on the effective working of the operating system. Due to extensive volumes and variety of transactions, the operating system needs to function, consistently and accurately, specifically with respect to following: ■ Interest, Fee income and other charges on Loans ■ Bifurcation of the Loan Portfolio based on maturity pattern ■ Various reports generated, including the report for Asset Classification. Our audit outcome is dependent on the effective functioning of such operating system.	We have carried out the following procedures to assess the effectiveness and adequacy of IT controls with respect to the size and nature of operations of the Company: ■ We obtained an understanding of the Company's 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 operating effectiveness of the IT system by verifying the reports / returns and other financial and non-financial information generated from the system on a test check basis. ■ We tested the system controls for system generated reports relevant to the audit by performing audit procedures to assess the operative effectiveness of the system controls. ■ We have also obtained management representations wherever considered necessary.

4. Information other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

5. Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

In preparing the financial statements, Management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial Reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the 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.

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

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

d) 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 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.

e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

The financial statements of the Company for the year ended March 31, 2022 were audited by T R Chadha & Co. LLP (the erstwhile statutory auditor) who had expressed an unmodified opinion on those statements vide their audit report dated April 28, 2022.

Our opinion is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

a) 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

b) As required by Section 143(3) of the Act, we report that:

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

ii) 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.

iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

iv) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015 as amended.

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

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

vii) With respect to the matter to be included in the Auditor's Report under 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 Company has not paid / provided for any remuneration to its directors during the current year and hence, the provisions of section 197 of the Act is not applicable to the Company.

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

a) The Company has disclosed the impact of the pending litigations, if any, on its financial position in its Ind AS financial statement (Refer Note 33 of the Ind AS financial statement)

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

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

d) The management has represented that to the best of its knowledge and belief, 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, 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;

e) The management has represented that to the best of its knowledge or belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company to or in any other person(s) or entity(ies) including foreign entities (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;

f) Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, 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 clause (d) and (e) above contain any material misstatements.

g) The Company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.

h) No comments have been offered as regards the maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 since the said requirements under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 are not applicable to the Company for the financial year ended on March 31, 2023.

For **KHANDELWAL JAIN & CO.**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.: 105049W

PANKAJ JAIN
PARTNER
Membership No. 048850
UDIN – 23048850BGSZNN3883

Place - Mumbai
Date – April 17, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements of Vastu Finserve India Private Limited ('the Company') under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

i) In respect of Company's Property, Plant & Equipment,

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including Intangible assets.

b) The Company has a regular program of physical verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property. Further, the lease agreements where the Company is a lessee were duly executed in favour of the Company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no revaluation has been done by the Company of its property, plant and equipment (including the right of use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) a) Since the Company is into lending business, it does not have any inventories and accordingly, reporting under paragraph 3(ii)(a) of the said Order is not applicable for the Company.

b) During the year, the Company has availed working capital limits from banks / financial institutions in excess of ₹ 5 crore, in aggregate, on the basis of security of current assets. Based on audit procedures carried out by us on sample statements, we report that the monthly / quarterly statements filed by the Company with banks / financial institutions were in agreement with the books of account of the Company.

iii) a) The Company has provided loans or advances in the nature of loans during the year. As The Company's principal business is to give loans, the reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that, the investments made, guarantees given and the terms and conditions of the grant of all loans and advances in the nature of loans, if any, during the year are, prima facie not prejudicial to the Company's interest.

c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note No. 2.2(n)(iii) to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating ₹ 626.87 lakh were categorised as credit impaired ('Stage 3') and ₹ 985.12 lakh were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note No. 6 to the financial statements. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d) According to the information and explanations given to us and based on the audit procedures performed by us, total amount overdue including interest for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 626.87 lakh. As informed to us, reasonable steps generally are being taken by the Company for recovery of the principal and interest.

e) The Company's principal business is to give loans. Accordingly, paragraph 3(iii)(e) of the Order is not applicable to the Company.

f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph 3(iii)(f) is not applicable to the Company.

iv) According to the information and explanations given to us and based on the audit procedures performed by us, there are no loans granted, guarantees and securities given in respect of which provisions of section 185 of the Act are applicable. The Company has not made investment through investment companies. Other provisions of section 186 of the Act are not applicable to the Company and hence, not commented upon.

v) According to the information and explanation given to us, the Company has not accepted any deposits which are covered under the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act. 2013. Accordingly paragraph 3 (v) of the Order is not applicable to the Company.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii) a) According to the information and explanations given to us, the Company has generally been regular in depositing its undisputed statutory dues (with respect to amounts deducted / accrued in the books of account) including Provident fund, Employees State insurance, income-tax, goods and services tax, cess and other material statutory dues (where applicable) to the appropriate authorities. There were no material undisputed dues payable, outstanding as on March 31, 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.

viii) According to the information and explanations given to us and based on the records of the Company examined by us and management representation which we have relied upon, there are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under this clause is not applicable.

ix) a) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company is not declared as wilful defaulter by any bank or financial institution or other lender.

c) The Company has applied the amount raised by it by way of term loans and debt instruments for the purpose for which those loans were obtained, though surplus funds which were not required for immediate utilization were invested in liquid assets.

d) According to the information and explanations given to us and the procedures performed by us, we are of the opinion that the Company has not raised funds on short term basis and accordingly reporting under this clause is not applicable.

e) According to the information and explanations given to us and based on the records of the Company examined by us, the Company does not have any subsidiary, joint ventures or associates and accordingly, reporting under this clause is not applicable.

f) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised loans during the year on the pledge of the securities held in its subsidiary and hence, reporting under this clause is not applicable.

x) a) According to the information and explanation given to us, during the year, the Company has not raised money by way of initial public offer or further public offer and hence, reporting under this clause is not applicable.

b) According to the information and explanations given to us and management representation provided to us which we have relied upon, the Company has made preferential allotment of Non-convertible Debentures (NCD's) and right issue of equity shares during the year and has complied with the applicable requirements of section 42 and 62 of the Companies Act, 2013 and the funds have been used for the purposes for which it was raised, though surplus funds which were not required for immediate utilization were invested in liquid assets.

xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

b) In our opinion and according to the information, explanations, management representation given to us which we have relied upon, report under section

143(12) of the Companies Act as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with Central Government has not been filed by the Auditors in form ADT-4.

c) According to the information and explanations given to us and procedures performed by us, we report that no whistle-blower complaints were received during the year by the Company.

xii) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that the Company is not a Nidhi Company within the meaning of Section 406 of the Act. Accordingly, reporting under paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

xiii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Section 177 and 188 of Act where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards.

xiv) a) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business;

b) The reports of the Internal Auditors for the period under audit have been considered by us in determining the nature and extent of any audit procedures.

xv) As per the information and explanations given by the management and management representation which we have relied upon, the Company has not entered into any non-cash transaction with directors or persons connected with him during the year and hence the provision of Section 192 of the Act is not applicable to the company.

xvi) a) Based on information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained Certificate of Registration dated April 22, 2019.

b) According to the information and explanations given to us, the Company is registered with a valid Certificate of Registration issued by Reserve Bank of India and the Company is in the business of advancing loans.

c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 ("the Regulations") issued by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

d) According to the information and explanation given to us, in the group, there are no companies forming part of the promoter/promoter group of the Company which are Core Investment Companies (CICs), as defined in the Regulations.

xvii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the financial year 2022 - 2023 and in the immediately preceding financial year 2021 - 2022.

xviii) During the year, the erstwhile statutory auditors of the Company have resigned consequent to completion of their tenure in terms of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India. According to the information and explanations given to us and based on the no objection certificate obtained by us from the outgoing auditor, the outgoing statutory auditors do not have any issues, objections or concerns in respect of their resignation.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the information and explanations given to us, the Company is not required to spend any amount under section 135 of the Companies Act, 2013 for the year and hence, reporting under paragraph 3(xx) of the order is not applicable to the Company.

For **KHANDELWAL JAIN & CO.**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.: 105049W

PANKAJ JAIN
PARTNER
Membership No. 048850

Place - Mumbai
Date – April 17, 2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8(b)(vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vastu Finserve India Private Limited)

Report on the Internal Financial Controls with reference to financial statements of Vastu Finserve India Private Limited ('the Company') under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statement of Vastu Finserve India Private Limited ('the Company') as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company generally has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013('the Act') .

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial 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 financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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.

For **KHANDELWAL JAIN & CO.**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.: 105049W

PANKAJ JAIN
PARTNER
Membership No. 048850

Place - Mumbai
Date – April 17, 2023

BALANCE SHEET
as at March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	ASSETS			
1	**Financial Assets**			
a	Cash and Cash Equivalents	4	24,783.27	7,415.79
b	Bank Balances (other than Cash and Cash Equivalents)	5	18.57	-
c	Receivables			
	(i) Trade Receivables		-	-
	(ii) Other Receivables		-	-
d	Loans	6	76,815.57	28,628.04
e	Investments	7	2,434.75	-
f	Other Financial Assets	8	359.54	26.57
	Total Financial Assets		**1,04,411.70**	**36,070.40**
2	**Non-Financial Assets**			
a	Current Tax Assets (Net)	9	218.45	-
b	Deferred Tax Assets (Net)	9	490.79	141.78
c	Property, Plant and Equipment	10	108.18	38.39
d	Other Intangible Assets	11	4.75	7.39
e	Right of Use Asset	12	282.31	154.86
f	Other Non-financial Assets	13	199.69	73.55
	Total Non-Financial Assets		**1,304.17**	**415.97**
	TOTAL ASSETS		**1,05,715.87**	**36,486.37**
II	LIABILITIES AND EQUITY			
1	**Liabilities**			
A	**Financial Liabilities**			
a	Payables			
i	Trade Payables	14		
	(i) Total Outstanding dues to Micro and Small Enterprises		-	3.00
	(ii) Total Outstanding dues to Creditors other than Micro and Small Enterprises		963.95	205.59
ii	Other payables			
	(i) Total Outstanding dues to Micro and Small Enterprises		-	-
	(ii) Total Outstanding dues to Creditors other than Micro and Small Enterprises		-	-
b	Debt Securities	15	6,534.04	1,455.56
c	Borrowings (other than Debt Securities)	16	64,132.64	21,581.46
d	Lease Liability	17	310.37	172.72
e	Other Financial Liabilities	18	2,470.25	590.97
	Total Financial Liabilities		**74,411.25**	**24,009.30**
B	**Non-Financial Liabilities**			
a	Provisions	19	51.67	24.14
b	Other Non-Financial Liabilities	20	269.02	70.48
	Total Non-Financial Liabilities		**320.69**	**94.62**
2	**EQUITY**			
a	Equity Share Capital	21	11,861.06	8,754.02
b	Other Equity	22	19,122.87	3,628.43
	Total Equity		**30,983.93**	**12,382.45**
	TOTAL LIABILITIES AND EQUITY		**1,05,715.87**	**36,486.37**
	The accompanying notes form an integral part of the financial statements	1 to 52		

In terms of our report attached of even date
For **Khandelwal Jain & Co**
Chartered Accountants
FRN: 105049W

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

sd/-
Pankaj Jain
Partner
Membership No. 048850

sd/-
Sandeep Menon
Whole Time Director
(DIN: 02032154)

sd/-
Sudhir Variyar
Director
(DIN: 00168672)

Place : Mumbai
Date : April 17, 2023

sd/-
Udit Kariwala
Chief Financial Officer

sd/-
Nikita Nath
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Revenue from Operations**			
a	Interest Income	23	7,263.30	3,559.96
b	Fees and Commission Income	24A	245.52	225.20
c	Net Gain on derecognition of Financial Instruments	24B	314.91	-
d	Net Gain on Fair Value changes	25	142.98	72.68
e	Other Operating Income	26	111.49	155.96
	Total Revenue from Operations		**8,078.20**	**4,013.80**
II	Other Income	27	248.08	215.38
III	**Total Income (I+II)**		**8,326.28**	**4,229.18**
IV	**EXPENSES**			
a	Finance Costs	28	2,839.84	1,175.33
b	Impairment on Financial Instruments	29	725.83	456.95
c	Employee Benefits Expenses	30	2,767.79	1,388.90
d	Depreciation, Amortisation & Impairment	10,11,12	126.63	91.56
e	Other Expenses	31	997.53	591.99
	Total Expenses		**7,457.62**	**3,704.72**
V	**Profit before Exceptional item and Tax (III - IV)**		**868.66**	**524.46**
VI	**Exceptional Items**		-	-
VII	**Profit before Tax (V - VI)**		**868.66**	**524.46**
VIII	**Tax Expenses**			
a	Current Tax		116.48	59.30
b	Deferred Tax		(352.94)	(79.54)
	Total Tax Expense		**(236.46)**	**(20.24)**
IX	**Net profit for the year (VII - VIII)**		**1,105.12**	**544.70**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
a	- Actuarial gain/(loss) on post retirement benefit plans		(6.36)	(4.62)
b	- Income tax on above		3.92	0.13
	Total Other Comprehensive Income		**(2.44)**	**(4.48)**
XI	**Total Comprehensive Income for the year (IX + X) (Comprising Profit and Other Comprehensive Income for the year)**		**1,102.68**	**540.22**
XII	**Earnings per Equity Share (face value of ₹ 10 each)**	34		
a	Basic (₹)		1.11	0.64
b	Diluted (₹)		1.11	0.64
The accompanying notes form an integral part of the financial statements		1 to 52		

In terms of our report attached of even date
For **Khandelwal Jain & Co**
Chartered Accountants
FRN: 105049W

sd/-
Pankaj Jain
Partner
Membership No. 048850

Place : Mumbai
Date : April 17, 2023

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

sd/-
Sandeep Menon
Whole Time Director
(DIN: 02032154)

sd/-
Sudhir Variyar
Director
(DIN: 00168672)

sd/-
Udit Kariwala
Chief Financial Officer

sd/-
Nikita Nath
Company Secretary

STATEMENT OF CASH FLOWS

For the year Ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Cash Flows from Operating Activities			
	Profit / (Loss) before Taxation		**868.66**	**524.46**
	Adjustment for:			
	Depreciation and Amortisation expenses	10,11	30.12	23.15
	Depreciation and Amortisation expenses (Right of Use Assets)	12	96.52	68.41
	Provision for impairment on Financial Instruments (ECL) & Bad debts	29	725.83	491.62
	(Gain) / loss on derecognition of financial asset		(142.98)	(72.68)
	Interest on fixed deposits	23	(150.15)	(10.74)
	Interest expense on lease liability	28	30.88	19.65
	Employee Stock Option		-	3.15
	(Gain) / Loss on sale of Fixed Asset		0.07	-
	Provision for Actuarial loss on Post Retirement Benefit Plans (OCI)		(2.44)	(4.48)
	Share issue expenses		(1.21)	-
	Operating Profit/(Loss) before Working Capital changes		**1,455.30**	**1,042.54**
	Movements in Working Capital:			
	(Increase) / Decrease in Financial Assets	8	(332.97)	(4.66)
	(Increase) / Decrease in Non-Financial Assets	13	(126.14)	(42.93)
	Increase / (Decrease) in Financial Liabilities	14,18	2,634.64	543.97
	Increase / (Decrease) in Non-Financial Liabilities	19,20	226.07	22.42
	Cash generated from Operations		**3,856.90**	**1,561.34**
	Income Taxes paid (net)	9,32	(331.00)	(58.15)
	Gross Cash flow from Operating Activities		**3,525.90**	**1,503.19**
	Loans Disbursed to Customer	6	(72,122.11)	(15,907.83)
	Loans Repaid by Customer	6	23,208.75	1,479.34
	Net Cash Flow Used in Operating Activities (I)		**(45,387.46)**	**(12,925.30)**
II	Cash Flows from Investing Activities			
	Interest received on Bank deposits	23	150.15	10.74
	Purchase/Sale of Property, Plant & Equipment and Intangible Assets	11,12	(97.34)	(22.30)
	Investments in mutual fund units	7	(1,10,792.15)	(13,834.80)
	Redemption of mutual fund units	7	1,08,500.38	18,128.62
	Investment in bank deposits		(96,226.00)	-
	Proceeds from redemption of bank deposit		96,207.43	-
	Net Cash Flow Used in Investing Activities (II)		**(2,257.53)**	**4,282.26**

STATEMENT OF CASH FLOWS

For the year Ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
III	Cash flow from Financing Activities			
	Proceeds from issue of equity share	21	17,500.00	2,496.85
	Payment of Lease Liability	12,17	(117.19)	(84.76)
	Proceeds from long-term Borrowings	15,16	61,525.32	14,116.98
	Repayment of long-term Borrowings		(13,895.66)	(830.02)
	Net Cash Generated from Financing Activities (III)		**65,012.47**	**15,699.05**
	Net (Decrease) / Increase in Cash and Cash Equivalents (I+II+III)		**17,367.48**	**7,056.01**
	Cash and cash equivalents at the beginning of the year		7,415.79	359.78
	Cash and Cash Equivalents at the end of the year		**24,783.27**	**7,415.79**
	Components of Cash and Cash Equivalents			
	Cash on hand		1.65	1.04
	Balances with banks:			
	- In Current Accounts		6,193.54	2,403.66
	- In Deposit accounts with original maturity of 3 months or less		18,588.08	5,011.09
	Cash and Cash Equivalents at the end of the year		**24,783.27**	**7,415.79**
	Operational Cash Flow towards Interest			
	Interest received		5,917.34	3,039.85
	Interest paid		(2,686.17)	(1,125.95)
	The accompanying notes form an integral part of the financial statements	1 to 52		

In terms of our report attached of even date
For **Khandelwal Jain & Co**
Chartered Accountants
FRN: 105049W

sd/-
Pankaj Jain
Partner
Membership No. 048850

Place : Mumbai
Date : April 17, 2023

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

sd/-
Sandeep Menon
Whole Time Director
(DIN: 02032154)

sd/-
Sudhir Variyar
Director
(DIN: 00168672)

sd/-
Udit Kariwala
Chief Financial Officer

sd/-
Nikita Nath
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated Balance as on April 1, 2022	Changes in Equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital	8,754.02	-	8,754.02	3,107.04	11,861.06

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated Balance as on April 1, 2021	Changes in Equity share capital during the year	Balance as at March 31, 2022
Equity Share Capital	8,273.26	-	8,273.26	480.76	8,754.02

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus				
	Transfer to Special Reserve u/s 45-IC of RBI Act, 1934 & read with 36(1)(viii) of Income Tax Act. 1961	Securities Premium	Share Options Outstanding Account	Retained Earnings	Total
Balance as at April 1, 2021	**-**	**1,726.74**	**14.56**	**(672.33)**	**1,068.98**
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated Balance as at April 1, 2021	**-**	**1,726.74**	**14.56**	**(672.33)**	**1,068.98**
Profit for the year	-	-	-	544.70	544.70
Other Comprehensive Income for the year - net of income tax (remeasurement of employee defined benefit liability/asset)	-	-	-	(4.48)	(4.48)
Transferred to Special Reserve	104.89	-	-	(104.89)	-
Transferred from Employee Stock Option Plan Reserve	-	-	(3.15)	3.15	-
Total	**104.89**	**1,726.74**	**11.41**	**(233.85)**	**1,609.20**
Issue of share capital	-	-	-	-	-
Transferred from retained earnings	-	-	-	-	-
Addition during the year	-	2,019.23	-	-	2,019.23
Addition to Employee Stock Option Plan Reserve	-	-		-	-
As at March 31, 2022	**104.89**	**3,745.98**	**11.41**	**(233.85)**	**3,628.43**
Balance as at April 1, 2022	**104.89**	**3,745.98**	**11.41**	**(233.85)**	**3,628.43**
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated Balance as at April 1, 2022	**104.89**	**3,745.98**	**11.41**	**(233.85)**	**3,628.43**
Profit for the year	-	-	-	1,105.12	1,105.12
Other Comprehensive Income for the year - net of income tax (remeasurement of employee defined benefit liability/asset)	-	-	-	(2.44)	(2.44)
Transferred to Special Reserve	173.73	-	-	(173.73)	-
Transferred from Employee Stock Option Plan Reserve					-
Total	**278.62**	**3,745.98**	**11.41**	**695.10**	**4,731.11**
Issue of share capital	-	14,392.97	-	-	14,392.97
Transferred from retained earnings	-	-	-	-	-
Addition during the year	-	-	-	-	-
Share issue expenses *	-	(1.21)			(1.21)
Balance as at March 31, 2023	**278.62**	**18,137.73**	**11.41**	**695.10**	**19,122.87**

The accompanying notes form an integral part of the financial statements 1 to 52

* During the year the Company has utilized the Securities Premium to the extent of expenses of ₹ 1.21 lakh towards shares issue expenses in line with section 52(c) of the Companies Act, 2013.

In terms of our report attached of even date
For **Khandelwal Jain & Co**
Chartered Accountants
FRN: 105049W

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

sd/-
Pankaj Jain
Partner
Membership No. 048850

sd/-
Sandeep Menon
Whole Time Director
(DIN: 02032154)

sd/-
Sudhir Variyar
Director
(DIN: 00168672)

sd/-
Udit Kariwala
Chief Financial Officer

sd/-
Nikita Nath
Company Secretary

Place : Mumbai
Date : April 17, 2023

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

1 CORPORATE INFORMATION

Vastu Finserve India Private Limited ('the Company') is a debt listed private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013.The Company is a Non-Banking Financial Company (NBFC) engaged in the business of providing financial services, to lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity, to enter into guarantees, contracts of indemnity and suretyship of all kinds, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or Company. The Company was incorporated on September 28, 2018 under the Companies Act 2013. The Company was initially registered as a Non-Systemically Important Non-Deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act,1934 via registration no. N-13.02332 with effect from April 22, 2019. However, upon increase in the Asset Size of the Company to ₹ 500 Crore, the Company shall be considered as Non-Deposit Taking Systemically Important (NDSI) NBFC and the Company has made an application to RBI for classifying the Company as such. Under the scale based regulation the company is categorized as middle layer (NBFC - ML).

The Financial Statements were authorised for issue by the Company's Board of Directors on April 17, 2023.

2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation of financial statements

A) Statement of compliance

The standalone financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The company has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013, various regulatory guidelines to the extent relevant and applicable to the Company and in accordance with the generally accepted accounting principles in India.

The financial statements are presented in Indian Rupees which is the functional and the presentation currency and all values rounded to the nearest lakh, except when otherwise indicated.

Accounting policies have been consistently applied except where a newly-issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

B) Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention except for specific financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use under Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

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

C) Presentation of Financial Statements

The Balance Sheet, The Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows.

2.2 Significant Accounting Policies

A) Property, Plant & Equipment and Intangible Assets

i. Property, plant and equipment (PPE)

PPE are recognised when it is probable that future economic benefits associated with the item flows to the Company, and the cost of the item can be measured reliably. The cost comprises of the purchase price, and any attributable cost of bringing the asset to its working condition for intended use net of tax/duty credits availed, less accumulated depreciation and cumulative impairment if any.

Depreciation/amortization is recognized on a straight-line basis over the lower of the estimated useful lives of respective assets prescribed under the Schedule II to the Companies Act, 2013 or as estimated by Management as under:

Category of Assets	Useful Life
Premises	30 years
Furniture & Fixtures	10 years
Computer Hardware	3 years
Leasehold Improvements	3 years
Office Equipment	5 years

Asset costing upto ₹ 5,000 are fully depreciated in the year of capitalization.

Leasehold improvement is amortized on straight-line basis over the lease term subject to a maximum of 36 months.

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

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

ii. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset flow to the enterprise, and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are individually attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets are amortised on a straight-line basis over the estimated useful life of 3 years. The method of amortisation, useful life are reviewed at end of accounting year with the effect of changes in the estimate being accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

B) Impairment on Non-Financial Assets

As at the end of each year, the Company reviews the carrying amount of its non-Financial Assets that is PPE and Intangible Assets to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash-generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). Carrying amount is reduced to the level of recoverable amount, and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount. But so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

C) Revenue Recognition

Revenue is recognised to the extent that the economic benefits probably flow to the Company, and the revenue can be reliably measured, and there exists reasonable certainty of its recovery.

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 - 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 - 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

i. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis, taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated, taking into account all the contractual terms of the instrument.

The calculation takes into account all contractual terms of the Financial Instrument (for example, prepayment options) and includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL (Fair Value Through Profit or Loss), transaction costs are recognised in Statement of Profit and Loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs). However, no interest has been charged on credit impaired loans as a matter of prudence.

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

ii. Fee and Commission Income

Fee and commission income include fees and commitment charges other than those that are an integral part of EIR. The Company recognises the other fee and commission income under the terms and conditions of the relevant contract/ agreement.

iii. Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a first in first out (FIFO) basis.

iv. Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established; probably, the economic benefits associated with the dividend flow to the entity and the amount of the dividend can be measured reliably. Generally, when shareholders approve the dividend.

D) Foreign Currency

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date, and exchange gains and losses arising on settlement and restatement are recognized in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income ('OCI') or profit or loss are also recognized in OCI or profit or loss, respectively).

E) Leasing

The Company's lease asset primarily consist of leases for buildings. 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. 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 recognizes 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 recognizes the lease payments as an operating expense.

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

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. ROU Assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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. Lease liabilities are remeasured with a corresponding adjustment to the related ROU Asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Lease liability and ROU Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

F) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 - 'Borrowing Costs' are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

G) Employee Benefits

i. Share-based payment arrangements

The stock options granted to employees pursuant to the Company’s Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employees' compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the General Reserve within Other Equity.

ii. Retirement Benefit Costs and Termination Benefits

Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an employee benefit expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognized as an asset to the extent that the pre-payment leads to, for example, a reduction in future payment or a cash refund.

Defined Benefit Obligation Plan

The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each Financial Year using the Projected Unit Credit method.

The Company’s net obligation in respect of Defined Benefit Plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any Plan Assets.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

The calculation of Defined Benefit Obligations is performed annually by a qualified actuary using the Projected Unit Credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Re-measurement of the Net Defined Benefit Liability, which comprise actuarial gains and losses, the return on Plan Assets (excluding interest) and the effect of the Asset Ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense / (income) on the Net Defined Liability / (Asset) is computed by applying the discount rate used to measure the Net Defined Liability / (Asset), to the Net Defined Liability / (Asset) at the start of the Financial Year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to Defined Benefit Plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employee renders the service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive etc. which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

iv. Other Long-term Employee Benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H) Income Tax

The Income tax expense represents the sum of the current tax and deferred tax. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

i. Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised, for all temporary deductible differences, to the extent that it is probable that taxable profits are available against which those temporary deductible differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Also, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Deferred Tax Liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which it can utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of Deferred Tax Assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits are available to allow all or part of the assets to be recovered.

Deferred Tax Liabilities and Assets are measured at the tax rates that are expected to apply in the period in which the liability is settled, or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax Assets and Liabilities are off-set when there is a legally enforceable right to set-off Current Tax Assets against Current Tax Liabilities and when they relate to Income Taxes levied by the same taxation authority and the Company intends to settle its Current Tax Assets and Liabilities on a net basis.

I) Goods and Service Tax Input Credit

Goods and Services Tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing / utilising the credits.

J) Provisions, Contingent Liabilities and Contingent Assets

i. Provisions

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event;

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

ii. Contingent Liability

Contingent Liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

iii. Contingent Asset

Contingent Assets are not recognized in the Financial Statements. They are disclosed where an inflow of economic benefits is probable.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

K) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. Estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. Uncalled liability on shares and other investments partly paid;

iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

L) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

M) Segments

The Company's main business is financing by way of loans for various purposes. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – 'Operating Segments' where reporting is considered to constitute one reportable segment.

N) Financial Instrument

i. Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

ii. Initial Measurement of Financial Instruments

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

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Statement of Profit and loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

After initial recognition, the deferred gain or loss will be released to the Statement of Profit and Loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

iii. Financial Assets

Subsequent Measurement

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the Financial Assets and the contractual cash flow characteristics of the Financial Assets.

Classification

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other Debt Instruments (e.g. Debt Instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

  However, the Company may make the following irrevocable election / designation at initial recognition of a Financial Asset on an asset-by-asset basis:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 - 'Business Combination' applies, in OCI; and
- The Company may irrevocably designate a Debt Instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

  A Financial Asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified Financial Instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt Instruments at Amortised Cost or at FVTOCI

The Company assesses the classification and measurement of a Financial Asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For SPPI test, principal is the fair value of the Financial Asset at initial recognition. That principal amount may change over the life of the Financial Asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the Financial Asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

exposure to changes in Equity prices or Commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired Financial Asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a Financial Asset. The Company determines the business models at a level that reflects how Financial Assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. In contrast, for an Equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss but transferred within the Equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial Asset at Fair Value Through Profit or Loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, Debt Instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL

A financial asset that meets the amortised cost criteria or Debt Instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, and the economic benefits associated with the dividend probably flow to the entity, the dividend does not represent a recovery of a part of the cost of the investment, and the amount of dividend can be measured reliably.

Re-classification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Company's financial assets.

During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets, and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment

Overview of Expected Credit Loss (ECL) Principle

The Company records allowance for Expected Credit Losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'Financial Instruments'. Equity Instruments are not subject to impairment under Ind AS 109 - 'Financial Instruments.

ECLs are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original Effective Interest Rate (or credit-adjusted Effective Interest

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

Rate for purchased or originated credit-impaired Financial Assets). The Company estimates cash flows by considering all contractual terms of the Financial Instrument (for example, prepayment, extension, call and similar options) through the expected life of that Financial Instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that result if a default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a Financial Instrument if the credit risk on that Financial Instrument has increased significantly since initial recognition. For all other Financial Instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL for stage 3 assets (as defined below) on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the Financial Asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a Financial Instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the Financial Instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 - Performing assets (high quality assets) with 0 to 30 days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 - Under-Performing Assets (assets for which there is significant increase in credit risk) having 31 to 90 DPD.

Stage 3 - Non-Performing Assets (credit impaired assets) with overdue more than 90 DPD.

Definition of Default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

The Corporation considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Corporation; or
- the borrower is unlikely to pay its credit obligations to the Corporation in full.

For trade receivables or any contractual right to receive cash or other Financial Asset that result from transactions that are within the scope of Ind AS 18 - and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime ECL. Further, for the purpose of measuring lifetime ECL allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 - 'Financial Instruments.

This ECL is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information including

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to Debt Instruments at FVTOCI except that the loss allowance is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

The Financial Assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the Financial Asset is reduced. This is considered a (partial) derecognition of the Financial Asset.

Derecognition

A Financial Asset is derecognised only when :

- The Company has transferred the rights to receive cash flows from the Financial Assets; or
- Retains the contractual rights to receive the cash flows of the Financial Assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Assets. In such cases, the Financial Assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognised.

On derecognition of a Financial Asset under assignment transaction, the difference between the carrying amount and the consideration received shall be recognized in Statement of Profit and Loss.

Collateral Valuation and Repossession

The recovery process through repossession of security will involve repossession, valuation of security and realization of security through appropriate means. All these would be carried out fairly and transparently. The Company policy recognizes fairness and transparency in repossession, valuation, and realization of security.

The Company provides fully secured, partially secured and unsecured loans to individuals. In its ordinary course of business, the Corporation does not physically repossess properties or other assets in its retail portfolio, but engages with the external agents to recover funds, generally at auction, to settle outstanding debt.

Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities result in impairment gains and are credited to statement of profit and loss.

iv. Financial Liabilities and Equity Instruments

Classification

Debt and Equity Instruments issued by a Company entity are classified as either Financial Liabilities or as Equity in accordance with the substance of the contractual arrangements and the definitions of a Financial Liability and an Equity Instrument.

Financial Liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured under the specific accounting policies set out below.

Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified Financial Instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost.

Financial Liability subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of the costs of an asset is included in the 'Finance costs' line item.

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

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between/with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

O) Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term investments, as defined above.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

P) Earning Per Share

i. Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to Equity Shareholders (after deducting attributable taxes) by the weighted average number of Equity Shares outstanding during the year.

ii. Diluted Earnings Per Share

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

Q) Assets held for sale

In the ordinary course of business, the Company does not physically repossess assets in its portfolio but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets under legal repossession are not recorded on the balance sheet and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principal outstanding, whichever is less, at the repossession date.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITIES

The preparation of financial statements 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 year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. 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 a material adjustment to the carrying amounts of assets or liabilities in future years.

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 financial statements is included in the following notes:

A) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

i. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

ii. The risks that affect the performance of the business model and, in particular, the way those risks are managed.

iii. The expected frequency, value and timing of sales are also essential aspects of the Company's assessment.

iv. How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses it's business model at each reporting period to determine whether the business model has changed since the preceding period.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

B) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan 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 rate. 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 the end of each reporting date.

C) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

D) Effective Interest Rate (EIR) method

The Company's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company's base rate and other fee income/expense that are integral parts of the instrument.

E) Fair value measurement

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

F) Impairment losses on financial assets (ECL)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In some instances, the assessment based on experience is required for future estimation of cash flows which requires significant judgment.

Inputs used and the process followed by the Company in determining the increase in credit risk has been detailed in the notes to accounts on Impairment. Estimation is also involved in the selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

G) Excess Interest Spread on Direct Assignment

The assessment of derecognition criteria being met involves significant judgements. Furthermore, the measurement of the related EIS receivable income, servicing asset and liability requires significant estimates to be made for the discount rate, expected portfolio life, prepayment and foreclosures.

H) Income Tax

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid/recovered for uncertain tax positions.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

4. Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	1.65	1.04
Balances with Banks		
- In current accounts	6,193.54	2,403.66
- In deposit accounts with original maturity less than 3 months	18,588.08	5,011.09
Total	**24,783.27**	**7,415.79**

4.1 Short-term deposits are made for varying periods ranging from one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5. Bank Balances (other than Cash and Cash Equivalents)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
- In deposit accounts with original maturity more than than 3 months	18.57	-
Total	**18.57**	**-**

5.1 Includes deposit under lien aggregating to ₹ 3 Lakh (as at March 31, 2022 ₹ Nil), comprising of guarantee to a stock exchange.

6. Loans

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
(At amortised cost)		
Term Loans		
Loans Against Properties	133.50	185.50
Vehicle Loan	75,619.80	28,265.40
Business Loan	190.00	-
Interest accrued on loans	1,345.96	554.78
Interest overdue on loans	70.03	25.78
Total – Gross (A)	**77,359.29**	**29,031.47**
Less: Impairment loss allowance	**1,201.73**	**567.89**
Less: Unamortized processing fee	(658.01)	(164.46)
Total – Net (A)	**76,815.57**	**28,628.04**
Secured by Tangible Assets	77,168.86	29,031.47
Secured by Intangible Assets	-	-
Unsecured	190.43	-
Total – Gross (B)	**77,359.29**	**29,031.47**
Less: Impairment loss allowance	1,201.73	567.89
Less: Unamortized processing fee	(658.01)	(164.46)
Total – Net (B)	**76,815.57**	**28,628.04**
Loans in India		
- Public Sector	-	-
- Others	77,359.29	29,031.47
Total – Gross (C1)	**77,359.29**	**29,031.47**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Less: Impairment loss allowance	1,201.73	567.89
Less: Unamortized processing fee	(658.01)	(164.46)
Total – Net (C1)	**76,815.57**	**28,628.04**
Loans outside India	-	-
Total – Gross (C2)	**-**	**-**
Less: Impairment loss allowance	-	-
Less: Unamortized processing fee	-	-
Total – Net (C2)	**-**	**-**
Total (C1) and (C2)	**76,815.57**	**28,628.04**

6.1 Disclosure for transferred Financial assets

The Company durign the year has assigned a pool of certain loans amounting to ₹ 5,427.40 Lakh (PY Nil) by way of a Direct Assignment Transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan asset is an absolute assignment and transfer on a 'without-Recourse' basis while retaining 10% share as Minimum Retention Requirement (MRR). The company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of an assignment transaction, the company pays to the assignee on a monthly basis the pro rata collection amount on agreed terms. As at year end total outstanding, derecognized loans under assignment amount to ₹ 4,398.21 (PY Nil) being 90% of the loan portfolio sold while MRR of 10% totaling to ₹ 489.64 (PY Nil) is included above.

6.2 Loans and receivables are Non-Derivative Financial Assets which generate variable Interest Income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

6.3 Collateral and Other Credit Enhancements

Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:

a) Equitable / Registered Mortgage of Assets

b) Hypothecation of Vehicle

c) Undertaking to create a security.

d) The personal guarantees of borrowers.

e) Assignment of insurance policies.

6.4 The Company monitors the value of collateral and will request additional collateral in accordance with the loan agreement.

6.5 Includes loans under on-going cheque handover post completion of disbursement process.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

6.5.1 Loan Against Properties

An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

a) Reconciliation of changes in Gross Carrying Amount of Loans (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**175.80**	**-**	**9.70**	**185.50**	**338.08**	**-**	**-**	**338.08**
New Asset originated or purchased / further increased in existing asset (net)	-	-	-	-	-	-	-	**-**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(52.01)	-	-	(52.01)	(152.47)	-	(0.11)	**(152.58)**
Transfers to / (from) Stage 1	-	-	-	-	(9.81)	-	-	**(9.81)**
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	**-**
Transfers to / (from) Stage 3	-	-	-	-	-	-	9.81	**9.81**
Amount written-off	-	-	-	-	-	-	-	**-**
Total	**123.80**	**-**	**9.70**	**133.49**	**175.80**	**-**	**9.70**	**185.50**
Interest accrued on loans	1.41			1.41	2.08	-	-	2.08
Gross carrying amount Closing Balance	**125.21**	**-**	**9.70**	**134.90**	**177.88**	**-**	**9.70**	**187.58**

b) Reconciliation of changes in Expected Credit Loss (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	**2.19**	**-**	**5.82**	**8.01**	**4.08**	**-**	**-**	**4.08**
New Asset originated or purchased / further increased in existing asset (net)	-	-	-	-	-	-	-	**-**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(0.12)	-	-	(0.12)	(1.88)	-	(0.07)	**(1.95)**
Other Adjustments	(1.80)	-	-	(1.80)	0.10	-	-	**0.10**
Transfers to / (from) Stage 1	-	-	-	-	(0.12)	-	-	**(0.12)**
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	**-**
Transfers to / (from) Stage 3	-	-	-	-	-	-	5.88	**5.88**
Amount written-off	-	-	-	-	-	-	-	**-**
Total	**0.27**	**-**	**5.82**	**6.09**	**2.19**	**-**	**5.82**	**8.01**
Interest accrued on loans	0.01	-	-	0.01	0.02	-	-	**0.02**
ECL allowance Closing Balance	**0.28**	**-**	**5.82**	**6.10**	**2.21**	**-**	**5.82**	**8.03**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

6.5.2 Business Loan

An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

a) Reconciliation of changes in Gross Carrying Amount of Loans (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	-	-	-	-	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	190.00	-	-	190.00	-	-	-	-
Assets repaid in part or full / derecognized / assigned (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-	-	-	-	-
Amount written-off	-	-	-	-	-	-	-	-
Total	**190.00**	-	-	**190.00**	-	-	-	-
Interest accrued on loans	0.43			0.43	-	-	-	-
Gross carrying amount Closing Balance	**190.43**	-	-	**190.43**	-	-	-	-

b) Reconciliation of changes in Expected Credit Loss (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	-	-	-	-	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	1.25	-	-	1.25	-	-	-	-
Assets repaid in part or full / derecognized / assigned (excluding write offs)	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-	-	-	-	-
Amount written-off	-	-	-	-	-	-	-	-
Total	**1.25**	-	-	**1.25**	-	-	-	-
Interest accrued on loans	**0.00**			**0.00**	-	-	-	-
ECL allowance Closing Balance	**1.25**	-	-	**1.25**	-	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

6.5.3 Vehicle Loan

An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

a) Reconciliation of changes in Gross Carrying Amount of Loans (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**27,669.93**	**369.66**	**225.80**	**28,265.40**	**14,288.10**	**6.89**	**-**	**14,294.99**
New Asset originated or purchased / further increased in existing asset (net)	69,428.78	490.33	-	69,919.11	21,358.06	39.33	-	21,397.38
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(21,941.60)	(408.54)	(121.59)	(22,471.73)	(7,252.42)	(94.88)	(14.97)	(7,362.27)
Assets derecogised (loans assigned)	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 1	(1,035.13)	-	-	(1,035.13)	(661.85)	-	-	(661.85)
Transfers to / (from) Stage 2	-	511.31	-	511.31	-	421.08	-	421.08
Transfers to / (from) Stage 3	-	-	523.82	523.82	-	-	240.77	240.77
Amount written-off	(58.61)	(23.51)	(10.86)	(92.98)	(61.95)	(2.76)		(64.71)
Total	**74,063.37**	**939.26**	**617.17**	**75,619.80**	**27,669.93**	**369.66**	**225.80**	**28,265.40**
Interest accrued on loans	1,368.30	45.86	-	1,414.16	560.03	18.46	-	578.49
Gross carrying amount Closing Balance	**75,431.67**	**985.12**	**617.17**	**77,033.96**	**28,229.96**	**388.12**	**225.80**	**28,843.89**

b) Reconciliation of changes in Expected Credit Loss (₹ in Lakh)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	**330.09**	**86.39**	**135.48**	**551.96**	**169.50**	**2.07**	**-**	**171.56**
New Asset originated or purchased / further increased in existing asset (net)	551.30	147.10	-	698.40	255.09	9.83	-	264.92
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(147.24)	(121.14)	(72.96)	(341.34)	(86.49)	(30.31)	(8.98)	(125.79)
Other Adjustments	(207.52)	23.09	-	(184.43)	0.64	0.22	-	0.86
Transfers to / (from) Stage 1	(7.25)	-	-	(7.25)	(7.90)	-	-	(7.90)
Transfers to / (from) Stage 2	-	153.39	-	153.39	-	105.27	-	105.27
Transfers to / (from) Stage 3	-	-	314.29	314.29	-	-	144.46	144.46
Amount written-off	(0.41)	(7.05)	(6.51)	(13.98)	(0.74)	(0.69)	-	(1.43)
Total	**518.96**	**281.77**	**370.30**	**1,171.04**	**330.09**	**86.39**	**135.48**	**551.96**
Interest accrued on loans	9.59	13.76	-	23.35	6.47	1.42	-	7.89
ECL allowance Closing Balance	**528.55**	**295.53**	**370.30**	**1,194.39**	**336.56**	**87.81**	**135.48**	**559.85**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

7 Investments

As at March 31, 2023 (₹ in Lakh)

Particulars	Amortised Cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)
Mutual Funds	-	-	-	-	-	-	-
Treasury Bills	2,434.75	-	-	-	-	-	2,434.75
Total (A)	**2,434.75**	**-**	**-**	**-**	**-**	**-**	**2,434.75**
Investment outside India	-	-	-	-	-	-	-
Investment in India	-	-	-	-	-	-	2,434.75
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**2,434.75**
Less: Allowance for impairment loss (B)	-	-	-	-	-	-	-
Net Total (C = A - B)	**-**	**-**	**-**	**-**	**-**	**-**	**2,434.75**

As at March 31, 2022 (₹ in Lakh)

Particulars	Amortised Cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)
Mutual Funds	-	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment outside India	-	-	-	-	-	-	-
Investment in India	-	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Allowance for impairment loss (B)	-	-	-	-	-	-	-
Net Total (C = A - B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

8 Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	44.63	26.57
Interest only Strip receivable*	314.91	-
Total	**359.54**	**26.57**

* With respect to assignment deals, the Company has created an Interest only strip receivable amounting to ₹314.91 Lakh as on March 31, 2023 (PY NIL) with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value with necessary estimate and assumptions.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

9 Current Tax Assets / Liability (Net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets (Net)	218.45	-
Total	**218.45**	**-**

9 Deferred Tax Assets / Liability (Net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
Depreciation on Property, Plant & Equipment	(3.20)	0.12
Deferred Tax Asset		
Disallowances under section 43B of the Income Tax Act, 1961	10.24	7.24
Impairment Loss Allowance	302.45	135.50
Effective interest effect on fee income, expense etc.	174.23	1.13
Reversal of Lease Liability	7.06	(2.21)
Deferred Tax Assets / Liability (Net)	**490.79**	**141.78**

10 Property, Plant and Equipment

As at March 31, 2023

(₹ in Lakh)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	For the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computers	49.47	89.85	0.25	139.07	19.07	24.57	0.17	43.47	95.60	30.40
Office Equipments	5.07	4.71	0.19	9.59	1.42	1.18	0.07	2.53	7.06	3.65
Furniture and Fittings	4.89	1.69	-	6.58	0.56	0.49	-	1.05	5.53	4.33
Total	**59.43**	**96.24**	**0.44**	**155.23**	**21.04**	**26.24**	**0.23**	**47.05**	**108.18**	**38.39**

None of the aforesaid assets have been revalued during the reporting period.

As at March 31, 2022

(₹ in Lakh)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	For the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computers	31.92	17.55	-	49.47	6.82	12.24	-	19.07	30.40	25.10
Office Equipments	4.38	0.69	-	5.07	0.49	0.93	-	1.42	3.65	3.90
Furniture and Fittings	4.36	0.53	-	4.89	0.13	0.43	-	0.56	4.33	4.23
Total	**40.66**	**18.77**	**-**	**59.43**	**7.44**	**13.60**	**-**	**21.04**	**38.39**	**33.22**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

11 Other Intangible Assets

As at March 31, 2023 (₹ in Lakh)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	For the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer Software	32.96	1.24	-	34.20	25.58	3.87	-	29.45	4.75	7.39
Total	**32.96**	**1.24**	**-**	**34.20**	**25.58**	**3.87**	**-**	**29.45**	**4.75**	**7.39**

None of the aforesaid assets have been revalued during the reporting period.

As at March 31, 2022 (₹ in Lakh)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	For the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	29.43	3.53	-	32.96	16.02	9.55	-	25.58	7.39	13.41
Total	**29.43**	**3.53**	**-**	**32.96**	**16.02**	**9.55**	**-**	**25.58**	**7.39**	**13.41**

12 Right of Use Asset

As at March 31, 2023 (₹ in Lakh)

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	For the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Right of Use Asset - Leasehold premises	287.02	256.33	71.53	471.81	132.16	96.52	39.18	189.50	282.31	154.86
Total	**287.02**	**256.33**	**71.53**	**471.81**	**132.16**	**96.52**	**39.18**	**189.50**	**282.31**	**154.86**

As at March 31, 2022 (₹ in Lakh)

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	For the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Right of Use Asset - Leasehold premises	242.10	47.81	2.89	287.02	66.04	68.41	2.29	132.16	154.86	176.06
Total	**242.10**	**47.81**	**2.89**	**287.02**	**66.04**	**68.41**	**2.29**	**132.16**	**154.86**	**176.06**

13 Other Non-financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	14.49	40.91
Input GST	-	0.55
Employee Advances	8.10	12.60
Advances to creditors	177.11	19.49
Total	**199.69**	**73.55**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

14 Payables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	3.00
Total outstanding dues of creditors other than micro enterprises and small	963.95	205.59
Total	**963.95**	**208.59**

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Company. The amount of principal and interest outstanding during the year is given below.

14.1 Payables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	0.05
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	0.01
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	-	**0.06**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

14.2 **Trade Payables ageing schedule**

As at March 31, 2023 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of Payment					
	Unbilled / Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-				-
(ii) Others	771.97	191.09	0.80	0.04	0.05	963.95
(iii) Disputed Dues-MSME	-	-				-
(iv) Disputed Dues-others	-	-				-

As at March 31, 2022 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of Payment					
	Unbilled / Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	3.00	-	-	-	3.00
(ii) Others	172.70	32.89	-	-	-	205.59
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-others	-	-	-	-	-	-

15 Debt Securities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<u>**At amortised cost (within India)**</u>		
Secured		
Non convertible debt securities	6,500.08	1,458.38
Less: Unamortised borrowing cost	28.51	2.81
Add : Interest accrued but not due	62.47	-
Total	**6,534.04**	**1,455.56**

15.1 **Nature of Security:** Non-Convertible Debentures are secured by an exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ('Hypothecated Assets") along with Current Assets wherever applicable.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

15.2 Non-Convertible Debentures (NCD) at Face Value repayable at par; (₹ in Lakh)

Instrument No. - Fixed/Variable - Rate of Interest	Maturity date	Nominal Value per Debenture	As at March 31, 2023	As at March 31, 2022
INE08Z607018 - Variable	21/Oct/23	1.00	625.08	1,458.38
(Repayable in 12 quarterly instalments of ₹208.33 Lakh each)				
INE08Z607026 - Fixed	27/Sep/24	0.10	1,875.00	-
(Repayable in Semi Annually instalments of ₹625 Lakh each)				
INE08Z607034 - Fixed	8/Nov/24	0.10	1,500.00	-
(Repayable in Semi Annually instalments of ₹375 Lakh each)				
INE08Z607042 - Fixed	31-Mar-25	1.00	2,500.00	-
(Repayable in Quarterly instalments of ₹312.50 Lakh each)				
Total			**6,500.08**	**1,458.38**
Less: Unamortised borrowing cost			28.51	2.81
Add : Interest accrued but not due			62.47	-
Total			**6,534.04**	**1,455.56**

Note: Coupon rate of the above outstanding as on March 31, 2023 varies from 9 % to 11% (March 31, 2022 : 10.90%)

15.3 There has been no default in repayment of principal and/or interest for Debt Securities as per the repayment schedules during the year.Further, the Company is compliant of the covenants in respect of all debt.

15.4 Company is timely filing all the required quarterly returns and statements of current assets (as applicable) on debt securities with lenders and is in agreement with the books of accounts.

16 Borrowings (other than Debt Securities)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost (within India)		
Secured		
Term loans from banks	49,274.28	17,138.23
Term Loans from other parties	15,089.47	1,000.00
CC-OD from Banks	-	3,600.39
Total Borrowings (other than debt securities)	**64,363.76**	**21,738.62**
Less: unamortised borrowing cost	323.19	157.16
Add : Interest accrued but not due	92.08	-
Total	**64,132.64**	**21,581.46**

16.1 Nature of Security: Term loan and Cash Credit from Banks are secured by an exclusive charge via deed of hypothecation on the specific Standard Asset portfolio of receivables along with Current Assets wherever applicable.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

16.2 Terms of Repayment & Rate of Interest of Borrowings (other than Debt Securities)

As at March 31, 2023 (₹ in Lakh)

Instrument No. - Fixed/Variable - Rate of Interest	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
Term Loan from Banks & Other Parties - Monthly				
Variable Rate 9.50% - 11.45%	11,104.34	12,509.92	166.67	23,780.93
Term Loan from Banks & Other Parties - Quarterly				
Fixed Rate 9 - 10 %	3,750.00	-	-	3,750.00
Variable Rate 8.75% - 10.10 %	12,758.73	21,995.53	2,078.57	36,832.83
Total	**27,613.07**	**34,505.45**	**2,245.23**	**64,363.76**
Less: unamortised borrowing cost	161.53	153.50	8.16	323.19
Add : Interest accrued but not due	92.08	-	-	92.08
Total	**27,543.62**	**34,351.95**	**2,237.07**	**64,132.64**

As at March 31, 2022 (₹ in Lakh)

Instrument No. - Fixed/Variable - Rate of Interest	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
Term Loan from Banks & Other Parties - Monthly				
Fixed Rate 9 - 10 %	3,750.00	3,750.00	-	7,500.00
Variable Rate 9 - 9.75 %	2,260.09	1,628.47	-	3,888.55
Term Loan from Banks & Other Parties - Quarterly				
Variable Rate 9 - 9.45 %	2,922.17	3,827.50	-	6,749.67
Overdraft facility from Bank 3.5%	3,600.39	-	-	3,600.39
Total	**12,532.65**	**9,205.97**	**-**	**21,738.62**
Less: unamortised borrowing cost	64.67	92.49	-	157.16
Add : Interest accrued but not due	-	-	-	-
Total	**12,467.98**	**9,113.47**	**-**	**21,581.46**

16.3 For variable interest rate borrowings, rate of interest is linked to the MCLR/base rates/ External benchmark lending rate of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.4 There has been no default in repayment of principal and/or interest for borrowing as per the repayment schedules during the year.Further, the Company is compliant of the covenants in respect of all borrowings.

16.5 Company is timely filing all the required quarterly returns and statements of current assets (as applicable) on borrowing with banks / financial institutions and is in agreement with the books of accounts.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

17 Lease Liability

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease rental liability	310.37	172.72
Total	**310.37**	**172.72**

a. Future minimum lease payments under non-cancellable operating leases were payable as follows: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	97.08	84.63
One to three years	146.45	83.49
More than three years	66.84	4.59
Total	**310.37**	**172.72**

b. Lease Liability Movement (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	172.72	190.62
Add:		
Addition during the year	256.33	34.69
Interest on Lease Liability	30.88	21.73
Lease Modification / adjustments		
Less:		
Derecognised during the year	32.35	2.68
Lease Rental Payments	117.20	71.64
Balance at the end of the year	**310.37**	**172.72**

For movement in Right to use Asset refer Note 12.

c. Future lease cash outflow for all leased assets on undiscounted basis

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	123.60	104.19
One to three years	173.10	116.29
More than three years	70.71	7.07
Balance at the end of the period	**367.41**	**227.55**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

18 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Book Overdraft	191.95	-
Employee Benefits Payable	23.56	30.39
Other Liabilities (Bonus,etc.)	928.28	202.47
Tax liabilities (Net of provision)	-	19.33
Disbursal In Transit	1,326.47	338.78
Total	**2,470.25**	**590.97**

19 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
- Gratuity	51.67	24.14
Total	**51.67**	**24.14**

20 Other Non-Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Instalments received in advance	109.65	22.07
Statutory dues	159.38	48.41
Total	**269.02**	**70.48**

21 Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
15,00,00,000 Equity Shares of ₹10 each	**15,000.00**	**10,000.00**
(FY22: 10,00,00,000 Equity Shares of ₹10 each fully paid up)		
ISSUED, SUBSCRIBED AND FULLY PAID UP		
11,86,10,570 Equity Shares of ₹10 each fully paid up	11,861.06	8,754.02
(FY22: 8,75,40,250 Equity Shares of ₹10 each fully paid up)		
Total	**11,861.06**	**8,754.02**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

21.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting period (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	8,75,40,250	8,754.02	8,27,32,558	8,273.26
Shares issued during the year pursuant to right issue	3,10,70,320	3,107.04	48,07,692	480.76
Shares outstanding at the end of the year	**11,86,10,570**	**11,861.06**	**8,75,40,250**	**8,754.02**

21.2 Rights, Preferences and Restrictions

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each shareholder of equity shares is eligible to one vote per share. The dividend, if any, proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

21.3 List of shares held by Holding Company (Promoter) (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Vastu Housing Finance Corporation Limited	11,86,10,526	100%	8,75,40,248	100%

21.4 List of shareholders holding more than 5% shares (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Vastu Housing Finance Corporation Limited	11,86,10,526	100%	8,75,40,248	100%

During the period the company has issued equity shares at a premium of ₹42 and 50.07 (face value ₹10) aggregating to ₹7,500 Lakh and ₹ 10,000 Lakh through right issue.

21.5 There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

21.6 There are no shares reserved for issue under Options and contract / commitments for the sale of shares or disinvestment.

21.7 For company's objectives policies and processes for managing capital refer note 40.1

22 Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	695.10	(233.85)
Securities Premium	18,137.73	3,745.98
Share Option Outstanding Account	11.41	11.41
Special Reserve	278.62	104.89
Total	**19,122.86**	**3,628.43**

Note: For additions and deductions under each of the above heads, refer to Statement of Changes in Equity

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

22.1 Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Statutory Reserve, Dividends or other distributions paid to shareholders.

22.2 Securities Premium

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

22.3 Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty percent of the Company's net profit after every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934.Further, Company doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

22.4 Share Option Outstanding Account

This Reserve relates to Employee Stock Options granted by the Holding Company to employees of the Company under the ESOP Scheme of the Holding Company. This Reserve is transferred to Securities Premium Account on exercise of vested options.

23 Interest Income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On Financial Assets measured at Amortised Cost		
Interest on loans*	7,078.86	3,541.85
Interest on deposits with Banks	150.15	10.74
Interest Income from Investments in T-bill	1.95	-
Other Interest Income**	32.33	7.38
Total	**7,263.30**	**3,559.96**

* Loan Origination Income included in Interest Income on Loan is disclosed net of the direct incremental costs of 1575.58 lakh for year ended March 31, 2023 (For March 31,2022: ₹ 398.64 lakh) associated with the origination of the underlying loans.

24A Fees and Commission Income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Fees and Commission Income	245.52	225.20
Total	**245.52**	**225.20**

24B Net Gain on derecognition of Financial Instruments

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On assignment of Portfolio	314.91	-
Total	**314.91**	**-**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

25 Net Gain on Fair Value changes

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net Gain / (Loss) on Financial Instruments at FVTPL		
On Trading Portfolio		
Mutual Fund	142.98	72.68
Total (A)	**142.98**	**72.68**
Fair Value Change		
Realised	142.98	72.68
Unrealised	-	-
Total (B)	**142.98**	**72.68**

26 Other Operating Income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Other charges (cersai, cancellation, cheque bouncing charges, etc.)	61.49	5.46
Income from display of Advertisement	50.00	150.50
Total	**111.49**	**155.96**

27 Other Income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Income from Shared Services	239.78	215.38
Interest on Income Tax Refund	0.09	-
Excess Provision written back	8.22	-
Total	**248.08**	**215.38**

Revenue from contract with Customers

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
i. Type of service		
- Login fee and other charges	245.52	225.20
- Other charges (cersai, cancellation, cheque bouncing charges, etc.)	61.49	5.46
- Income from display of Advertisement	50.00	150.50
- Income from Shared Services	239.78	215.38
Total	**596.79**	**596.53**
ii. Primary Geographical market		
- Outside India	-	-
- India	596.79	596.53
Total revenue from contract with customers	**596.79**	**596.53**
iii. Timing of revenue recognition		
- At a point in time upon rendering services	307.01	230.66
- Over period of time upon rendering services	289.78	365.88
Total	**596.79**	**596.53**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
iv. Receivable towards contract with customers		
- Opening balance as on April, 01	-	-
- Closing balance	-	-
v. Impairment on receivables towards contract with customers	**-**	**-**

28 Finance Costs

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On financial liabilities measured at amortized cost		
Interest on Borrowings (other than Debt Securities)	2,396.22	931.20
Interest on Debt Securities	289.95	198.04
Interest expense on Lease Liabilities	30.88	19.65
Bank Charges	122.78	26.43
Total	**2,839.84**	**1,175.33**

29 Impairment on Financial Instruments

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
At amortized cost		
Provision for Expected Credit Loss	633.84	392.24
Bad debt written off (net)	91.99	64.71
Total	**725.83**	**456.95**

30 Employee Benefits Expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, bonus and other allowances	2,546.85	1,278.65
Contribution to provident fund and other funds	150.23	82.11
Staff welfare and training expenses	36.81	18.64
Gratuity	33.90	9.49
Total	**2,767.79**	**1,388.90**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

31 Other Expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Rent, Taxes and Energy Costs	28.98	13.76
Repairs and Maintenance	24.35	51.70
Communication Costs	26.87	16.87
Printing and Stationery	39.00	23.55
Advertisement and Publicity	0.07	1.92
Auditor's fees and expenses (refer details below)	13.09	8.00
Legal and professional charges	106.13	54.85
Insurance	66.08	43.86
Travelling and conveyance	135.98	22.46
ROC fees and stamp duty	50.17	63.73
Cost of Shared Services	480.66	265.18
Other expense (indirect tax reversal, admin exp. etc.)	26.14	26.11
Total	**997.53**	**591.99**

31.1 Auditor's Fees and Expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
a) For statutory audit	9.81	6.50
b) For taxation audit	1.64	1.00
c) For Certification and Other Services	1.64	0.50
Total	**13.09**	**8.00**

32 Taxes on Income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current Tax	116.48	59.30
Deferred Tax	(352.94)	(79.54)
Total Income Tax recognised in Statement of Profit and Loss	**(236.46)**	**(20.24)**
Income Tax recognised in Other Comprehensive Income	3.92	0.13
Income Tax for the year reconciled to the accounting profit		
Profit before tax	868.66	524.46
Income tax rate	25.17%	25.17%
Income tax expense	218.62	132.00
Tax Effect of:		
Others (including tax adjustment for earlier years)	(455.09)	(152.24)
Income tax expense recognised in Profit and Loss	**(236.46)**	**(20.24)**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

32.2 The following table shows Deferred Tax recorded in the Balance Sheet and changes recorded in the Income Tax

a) For the Year ended March 31, 2023

(₹ in Lakh)

Particulars	Opening balances as on April 1, 2022	Recognised in		For the Year Ended March 31, 2023
		Profit or Loss	Other Comprehensive Income	
Difference between books and tax written down value of fixed assets	0.12	(3.32)	-	(3.20)
Disallowances under section 43B of the Income Tax Act, 1961	7.24	6.93	(3.92)	10.24
Preliminary Expenses	(0.00)	-	-	(0.00)
Provision on Loan Portfolio	135.50	166.95	-	302.45
Effective interest rate on fee income and exp, EIS on assignment etc.	1.13	173.10	-	174.23
Changes in the Tax Rate	-	-	-	-
Reversal of Lease Liability	(2.21)	9.27	-	7.06
Total	**141.78**	**352.93**	**(3.92)**	**490.79**

b) For the Year ended March 31, 2022

(₹ in Lakh)

Particulars	Opening balances as on April 1, 2021	Recognised in		As at March 31, 2022
		Profit or Loss	Other Comprehensive Income	
Difference between books and tax written down value of fixed assets	10.56	(10.44)	-	0.12
Disallowances under section 43B of the Income Tax Act, 1961	3.32	3.78	0.13	7.24
Preliminary Expenses	(0.18)	0.18	-	(0.00)
Provision on Loan Portfolio	40.19	95.31	-	135.50
Unrealised Profit on change in Fair Value of Mutual Funds	(0.75)	0.75	-	0.00
Effective interest rate on fee income and exp, EIS on assignment etc.	8.96	(7.83)	-	1.13
Reversal of Lease Liability	-	(2.21)		(2.21)
Total	**62.10**	**79.54**	**0.13**	**141.78**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

33 Contingent Liabilities and Capital Commitments

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Guarantees	3.00	-
Undisbursed commitments*	3,861.48	827.88
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

*These sanctions are given on the basis of the initial credit assessment of the customers and are convertible into disbursement on option of the Company basis the completion of procedure which includes amoung other documents formalities etc.

34 Earnings per Equity Share

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit attributable to equity shareholders (₹ in Lakh)	1,105.12	544.70
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	9,98,00,763	8,55,51,314
Dilutive effect of Stock Option (₹)	-	-
Weighted average number of equity shares outstanding during the year for calculating for diluted earnings per share (Nos.)	9,98,00,763	8,55,51,314
Basic earnings per share (₹)	**1.11**	**0.64**
Diluted earnings per share (₹)	**1.11**	**0.64**
Nominal value per share (₹)	10.00	10.00

35 Segment Reporting

The Company operates in a single reportable operating segment of providing loans. Accordingly there are no separate reportable segments, as per the Accounting Standard on 'Operating Segments' (Ind AS 108) prescribed under Section 133 of the Companies Act, 2013.

The Company has its operation within India and all revenues are generated within India.

36 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

The Company was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013.

37 Retirement Benefit Plan

Defined Contribution Plan

The Company operates Defined Contribution Plan (Provident Fund) for all qualifying employees of the Company. The employees of the Company are members of a Retirement Contribution Scheme operated by the government. The Company is required to contribute a specified percentage of payroll cost to the Retirement Contribution Scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Employers Contribution to Provident Fund	150.23	82.11

Defined Benefit Obligation Plan

The liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the Projected Unit Credit Method. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

i. **Investment / Interest Rate Risk:**

The Company is exposed to Investment / Interest Rate risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

ii. **Longevity Risks:**

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

iii. **Salary Risks:**

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

The following table summarises the component of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans based on Actuarial Report and relied upon by auditors.

a) **Assumptions used for the purposes of the actuarial valuation**

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.30%	6.25%
Salary escalation rate	12.00%	12.00%
Demographic Assumptions		
Retirement age	58 years	58 years
Mortality rate table	IALM (2012-14)*	IALM (2012-14)*
Leaving service		
a) 21-30	23.00%	23.00%
b) 31-40	24.00%	24.00%
c) 41-50	23.00%	23.00%
d) 51-57	6.00%	6.00%

*Indian Assured Lives Mortality (2012-14) Ult.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

b) **Amount recognised in the Balance Sheet**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Funded Defined Benefit Obligation	-	-
Fair Value of Plan Assets		-
Net Funded Obligation	**-**	**-**
Present value of unfunded Defined Benefit Obligation	51.67	24.14
Amount not recognised due to asset limit	-	-
Net Defined Benefit Liability/(Assets) recognised in Balance Sheet	**51.67**	**24.14**
Net Defined Benefit Liability/(Assets) bifurcated as follows:		
Current	0.12	0.05
Non-Current	51.55	24.08

c) **Expenses recognised in the Statement of Profit and Loss**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	19.68	13.41
Past service cost/other cost	-	-
Administration expenses	-	-
Interest on net Defined Benefit Liability/(Asset)	1.51	0.57
Sub Total	**21.18**	**13.98**
Other cost / expenses	12.71	(4.49)
Total expenses to be recognized in the Statement of Profit and Loss	**33.89**	**9.49**

d) **Amount recorded in Other Comprehensive Income**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening amount recognised in OCI outside of Statement of Profit and Loss	4.62	4.49
Remeasurements during the period due to		
Change in financial assumptions	(3.80)	(0.99)
Change in demographic assumptions		
Experience adjustments	10.15	1.12
Actual return on Plan Assets less Interest in Plan Assets		
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in OCI outside of Statement of Profit and Loss	**10.97**	**4.62**

e) **Reconciliation of net liability / (assets)**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net Defined Benefit Liability / (Assets)	24.14	10.03
Expenses charged to Statement of Profit and Loss	21.18	13.98
Amount recognised in OCI outside of Statement of Profit and Loss	6.35	0.13
Employer Contribution	-	-
Liabilities assumed on acqusition / (settled on divestiture)	-	-
Closing net Defined Benefit Liability / (Assets)	**51.67**	**24.14**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

f) Movement of Defined Benefit Obligation

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening present value of Defined Benefit Obligation	24.14	10.03
Current service cost	19.68	13.41
Past service cost	-	-
Interest on Defined Benefit Obligation	1.51	0.57
Remeasurements Losses/(Gains) due to:		
Change in financial assumptions	(3.80)	(0.99)
Change in demographic assumptions	-	-
Experience adjustments	10.15	1.12
Benefits Paid	-	-
Liabilities assumed on acqusition / (settled on divestiture)	-	-
Closing present value of Defined Benefit Obligation	**51.67**	**24.14**

g) Movement of fair value of Plan Assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Fair value of Plan Assets	-	-
Employer contributions	-	-
Interest on Plan Assets	-	-
Administration expenses	-	-
Remeasurement due to actual return on Plan Assets less interest on Plan Assets	-	-
Benefits paid	-	-
Assets acquired / (settled)*	-	-
Closing fair value of Plan Assets	**-**	**-**

*on account of business combination or inter-group transfer

h) Movement of Asset Ceiling

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening value of asset ceiling	-	-
Interest on opening Value of asset ceiling	-	-
Remeasurement due to change in surplus/(deficit)	-	-
Closing value of asset ceiling	**-**	**-**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

i) Surplus / (Deficit)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation	51.67	24.13
Plan Asset	-	-
Surplus / (Deficit)	(51.67)	(24.13)
Experience adjustment on Plan Liabilities	10.15	1.12
Experience adjustment on Plan Asset	-	-
Expected contribution next near	-	-

j) Experience adjustment over the years are as below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined benefit obligation	51.67	24.14	10.03	0.94
Plan asset	-	-	-	-
Surplus / (deficit)	(51.67)	(24.14)	(10.03)	(0.94)
Experience adj. on plan liabilities	10.15	1.12	4.66	-
Experience adj. on plan asset	-	-	-	-
Expected contribution next year	-		-	-

k) Sensitivity analysis

Significant actuarial assumptions for the determination of the Defined Benefit Obligation are Discount Rate and Expected Salary Increase. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows :

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	**50.00**	**53.34**	**23.29**	**24.98**
Impact of increase in 50 bps on DBO	-3.24%	3.22%	-3.52%	3.50%
Defined benefit obligation on decrease in 50 bps	53.43	50.07	25.03	23.33
Impact of decrease in 50 bps on DBO	3.41%	-3.10%	3.71%	-3.36%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions, refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the Present Value of the 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 recognised in the Balance Sheet

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

l) **Projected benefits payable:**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Expected benefits for Year 1	0.12	0.05
Expected benefits for Year 2	3.70	0.05
Expected benefits for Year 3	6.98	2.41
Expected benefits for Year 4	7.65	4.48
Expected benefits for Year 5	13.90	4.42
Expected benefits for Year 6	7.86	6.50
Expected benefits for Year 7	6.55	3.14
Expected benefits for Year 8	6.68	2.61
Expected benefits for Year 9	4.75	2.17
Expected benefits for year 10 and above	32.21	14.33

The weighted average duration to the payment of these cash flows is 6.64 years. (FY 2021-22 : 7.22)

38 Related Party Disclosures

38.1 List of related parties:

a) **Holding Company**

Vastu Housing Finance Corporation Limited

b) **Key Managerial Personnels (KMPs)**

Sandeep Menon - Whole Time Director

Udit Kariwala - Chief Financial Officer (From 4th June 2022)

Nikita Nath - Company Secretary

Vikki Soni - Chief Financial Officer (Upto 3rd June 2022)

38.2 Disclosure of Related Party Transactions:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Investment in Equity Shares by:		
Vastu Housing Finance Corporation Limited	17,500.00	2,500.00
2. Shared Services Expense		
Vastu Housing Finance Corporation Limited	480.66	265.18
3. Shared Services Income		
Vastu Housing Finance Corporation Limited	239.78	215.38

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

38.3 Amount due to / from Related Parties:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Receivable / (Payable)		
Vastu Housing Finance Corporation Limited	(125.33)	(37.04)

Note:

The transactions with Related Parties are disclosed only till the relationship exists.

39 Maturity Analysis of Assets and Liabilities

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2023			As at March 31, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I	**ASSETS**						
1	**Financial Assets**						
a	Cash and Cash Equivalents	24,783.27	-	24,783.27	7,415.79	-	7,415.79
b	Bank Balances (other than Cash and Cash Equivalents)	15.57	3.00	18.57	-	-	-
c	Loans	24,949.28	51,866.29	76,815.57	10,788.24	17,839.80	28,628.04
d	Investments	2,434.75	-	2,434.75	-	-	-
e	Other Financial Assets	267.63	91.91	359.54	-	26.57	26.57
		52,450.50	**51,961.20**	**1,04,411.70**	**18,204.03**	**17,866.37**	**36,070.40**
2	**Non-Financial Assets**						
a	Deferred Tax Assets (Net)		490.79	490.79	-	141.78	141.78
b	Current Tax Assets (net)	-	218.45	218.45	-	-	-
c	Property, Plant and Equipment		108.18	108.18	-	38.39	38.39
d	Other Intangible Assets		4.75	4.75	-	7.39	7.39
e	Right of Use Asset	99.91	182.40	282.31	85.32	69.54	154.86
f	Other Non-financial Assets	199.69	-	199.69	73.55	-	73.55
		299.60	**1,004.57**	**1,304.17**	**158.87**	**257.10**	**415.97**
	TOTAL ASSETS	**52,750.10**	**52,965.78**	**1,05,715.87**	**18,362.89**	**18,123.47**	**36,486.37**
II	**LIABILITIES AND EQUITY**						
A	**Financial Liabilities**						
a	Payables	963.95	-	963.95	208.59	-	208.59
b	Debt Securities	3,922.43	2,611.61	6,534.04	831.48	624.08	1,455.56
c	Borrowings (other than Debt Securities)	27,543.62	36,589.02	64,132.64	12,467.98	9,113.48	21,581.46
d	Lease Liability	97.08	213.29	310.37	84.63	88.09	172.72
e	Other Financial Liabilities	2,470.25	-	2,470.25	590.97	-	590.97
		34,997.33	**39,413.92**	**74,411.25**	**14,183.65**	**9,825.64**	**24,009.30**
B	**Non-Financial Liabilities**						
a	Provisions	0.12	51.55	51.67	-	24.14	24.14
b	Other Non-Financial Liabilities	269.02	-	269.02	70.48	-	70.48
		269.14	**51.55**	**320.69**	**70.48**	**24.14**	**94.62**
	TOTAL LIABILITIES	**35,266.47**	**39,465.47**	**74,731.94**	**14,254.13**	**9,849.78**	**24103.92**
	NET	**17,483.63**	**13,500.31**	**30,983.93**	**4108.76**	**8,273.69**	**12,382.45**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

40 Financial Instruments

40.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied with the applicable capital requirements over the reported period.

The Company manages its capital to ensure that the company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the Debt and Equity balances.

For the purpose of the Company's capital management, Capital includes issued capital and other equity reserves.

The gearing ratios are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Debt & Borrowings	70,666.68	23,037.02
Equity	30,983.93	12,382.45
Debt to Equity Ratio (times)	**2.28x**	**1.86x**

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the lender to immediately call-off loans and borrowings. Under the terms of the major borrowing facilities, the company complies with the covenants throughout the reporting period.

40.2 Fair Value

The following table combines comparable information about:

- Classes of Financial Instruments based on their nature and characteristics,
- Carrying Amounts of Financial Instruments,
- Fair Values of Financial Instruments (except Financial Instruments when Carrying Amount approximates their Fair Value), and
- Fair Value hierarchy levels of Financial Assets and Financial Liabilities for which Fair Value was disclosed.

Set out below is a comparison by class of the Carrying Amounts and Fair Value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Accounting classifications and fair values

(₹in Lakh)

As at March 31, 2023	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	24,783.27	24,783.27	-	-	-	-
Other Bank Balances	-	-	18.57	18.57	-	-	-	-
Trade Receivables	-	-	-	-	-	-	-	-
Loans	-	-	76,815.57	76,815.57	-	-	-	-
Investments			2,434.75	2,434.75	-	-	-	-
Other Financial Assets	-	-	359.54	359.54	-	-	-	-
TOTAL	**-**	**-**	**1,04,411.70**	**1,04,411.70**	**-**	**-**	**-**	**-**
Financial Liabilities								
Trade Payables	-	-	963.95	963.95	-	-	-	-
Debt Securities	-	-	6,534.04	6,534.04	-	-	-	-
Borrowings (other than Debt Securities)	-	-	64,132.64	64,132.64	-	-	-	-
Lease Rental Liability	-	-	310.37	310.37	-	-	-	-
Other Financial Liabilities	-	-	2,470.25	2,470.25	-	-	-	-
TOTAL	**-**	**-**	**74,411.25**	**74,411.25**	**-**	**-**	**-**	**-**

(₹in Lakh)

As at March 31, 2022	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	7,415.79	7,415.79	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-	-	-
Loans	-	-	28,628.04	28,628.04	-	-	-	-
Investments			-	-	-	-	-	-
Other Financial Assets	-	-	26.57	26.57	-	-	-	-
TOTAL	**-**	**-**	**36,070.40**	**36,070.40**	**-**	**-**	**-**	**-**
Financial Liabilities								
Trade Payables	-	-	208.59	208.59	-	-	-	-
Debt Securities	-	-	1,455.56	1,455.56	-	-	-	-
Borrowings (other than Debt Securities)	-	-	21,581.46	21,581.46	-	-	-	-
Lease Rental Liability	-	-	172.72	172.72	-	-	-	-
Other Financial Liabilities	-	-	590.97	590.97	-	-	-	-
TOTAL	**-**	**-**	**24,009.30**	**24,009.30**	**-**	**-**	**-**	**-**

Note:

a) All loans are floating interest-bearing, thus, Amortised Costs equals their Fair Value.

b) For financial assets and liabilities measured at amortised cost other than as mentioned in (a) above, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values except as under:

(₹in Lakh)

Fixed Rate Debt Securities / Borrowings	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Debt Securities & Borrowings other than short-term Debts *	9,625.00	7,500.00	9,616.64	7,566.15

Note: a. Fair value is determined by discounting the contractual cashflows using weighted average rate of variable rate borrowing.

* represents gross of borrowing exclusive of accrued interest and unamortized fee.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

40.3 Financial Risk Management

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

- Credit Risk
- Operational Risk
- Liquidity Risk, and
- Market Risk (including Interest Rate Risk)

Risk Management Framework

Risk Management is an integral part of the Company's business strategy with a focus on building risk management culture across the organization. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an on-going process that is supported by a robust risk reporting framework. It entails the establishment of robust systems and processes within the Risk Management Framework to mitigate risks effectively. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk, Compliance risk, Reputation risk and other risks. The Company has a Board appointed Risk Management Committee and a Chief Risk Officer (CRO). The CRO of the Company is responsible for implementation, overseeing and coordination of the requirements identified in the Risk Management Policy. As a prudent risk management practice a meeting of the CRO with the Board/Risk Management Committee is organized on a quarterly basis.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has constituted several committees, including the Asset Liability Management Committee, Risk Management Committee and defined their role for monitoring the risk management policies of the Company.

Over the period, the company has evolved the Risk Management infrastructure to provide ongoing support to its growing business. Risk Management systems have been put in place to generate all required reports that are required for the business. The types of reports and MIS include Portfolio Quality Reports, Collection MIS, Data Analytics Reports and other business reports as necessary. The reports get discussed in all management meetings and Board meetings.

The Risk management framework adopted is enabled by the risk-oriented Company level culture characterized by:

i. The rigour and discipline required in managing the portfolio and transactional risk are embedded in the Vastu culture with a consensus that risk management is everyone's responsibility.

ii. Staff members across all verticals appreciate it and actively partake in ensuring that risk management remains strong, even as the Company makes incremental strides in its business growth.

iii. An iterative process of identifying and evaluating risks, setting risk strategies, and monitoring results are within the oversight by Senior Management & Board of Directors, via Risk Management Committee.

i. Credit Risk

Credit risk refers to the risk of the inability of the borrower to repay the loan availed due to any circumstance. In any lending operation, credit risk remains on the top of all risks to be managed well. Therefore, managing credit risk in the business has remained a priority. The credit risk management framework that has been put together by the Company constitutes a robust alignment of the following:

- Well-constructed detailed manuals guiding the teams on the company policies and processes which are approved by the Board backed by technology, analytics and decision science. The documents articulate in detail the various products and programs that can be offered to the customers, with clearly defined norms for all the credit parameters across all product variants and programs.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

- State-of-the-art technology platform built In-house to support the capture of data, information and other details required for decision making. The technology application is available to the users on their mobile phones for use. Every staff member, when they meet a customer for collection of any data, information or document, the mobile application facilitates the capture of the same.

- Structured and standardized credit approving process, which includes a well-established procedure of comprehensive credit appraisal across all the markets Company operates.

- Measurement, monitoring and reporting of the Credit risk are regularly done during periodic reviews and Risk Management Committee meetings using detailed Portfolio Quality reports.

An experienced, well-trained, professional team are working on exercising adequate rigour and discipline in the process of customer assessment. The team undergoes adequate refresher training sessions and interactive sessions with the senior leadership at frequent intervals reinforcing the rigour and discipline required in the evaluation process. The credit appraisal process used by the team encompasses identification of underlying risks, mitigating factors and residual risks associated with the customer.

All business teams in the Company, across products, also go through adequate handholding and training in credit culture. This helps them in bringing about a balanced outlook to sourcing the business, where quality of business sourced is given maximum priority. The Company has valued the inculcation of credit and risk consciousness across functional verticals for all businesses.

The credit team works closely with the relationship management team in ensuring that growth of the business in every location is well supported while maintaining the focus on the asset quality.

Exposure to Credit Risk and Concentration

The Company measures, monitors, and manages credit risk at an individual borrower level and at the group exposure level for other borrowers. Actual credit exposures, credit limits and asset quality are regularly monitored and analyzed at various levels.

Credit Approval Authority

As a part of the risk management framework, the Company has well-defined metrics for delegation of authorities for standard approvals and deviation approvals. The sanctioning authorities delegated to individual staff members, based on defined norms of the Company on the staff members' experience, position and knowledge of the business.

Credit Risk Assessment methodology for retail loans

The credit officers evaluate proposals based on credit policies and follow the robust credit approval process includes customer selection criteria, credit risk assessment, cash flow analysis, LTV & FOIR ratio and demographic parameters to ascertain the creditworthiness. The various process controls such as KYC checks, Credit Bureau report analysis are undertaken with a comprehensive due diligence process including visits to customer's business and residence premises. The completeness of all documentation, security creation and compliance with regulatory guidelines are reviewed.The evaluation methodology significantly hinges on the field level business evaluation by the business and relationship manager. For such cases, Vastu has developed appropriate evaluation templates that are used by the business teams during the sourcing process. With these templates, the businesses are able to engage with the customer in a meaningful discussion and are able to evaluate the customer's credit worthiness for the loan sought. These inputs are significant and are used by the credit unit while taking a final credit decision on the loan.

The Company has a dedicated team to develop a robust technology platform to digitize processes, risk management and analytics. It enables the sales officer to input customer records online, digitize customer documents, record customer discussions, and check the credit score real-time.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Risk Management and Portfolio Review

The Company has a comprehensive portfolio monitoring process under which there is a monthly review of portfolio asset quality and efficiency of its collection processes. The collection efficiency review focusses on formulating and implementing location-based collection strategies. In this manner, Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising the product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The technology platform of the Company has appropriate mechanisms to carve out and publish exception at granular, segmental levels that help in ensuring a well-structured watch on process adherence.

There is an internal auditor who independently reviews adherence to policies and processes, carries out an internal audit and briefs the Audit Committee and the Board periodically.

The Company's current credit risk grading framework comprises the following categories:

Category	Basis for recognising expected credit losses
Stage 1	Outstanding between 0 to 30 days
Stage 2	Outstanding between 31 to 90 days
Stage 3	Outstanding for more than 90 days

The key elements in calculation of Expected Credit Loss (ECL) are as follows:

a) Probability of Default (PD) – It is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on historical behaviour of the book & roll rates for retail and comparative Financial Instruments of peer group companies.

b) Exposure at Default (EAD) – The estimated credit exposure at point of default.

c) Loss Given Default (LGD) – It is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk based on the year-end Stage classification. The amounts presented are gross of Impairment Allowances.

(₹in Lakh)

Category	Assets category	As at March 31, 2023		
		Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	75,747.30	530.08	75,217.23
Stage 2 – Assets for which there is significant increase in credit risk	Loan	985.12	295.53	689.59
Stage 3 – Credit impaired assets	Loan	626.87	376.12	250.75
Total		**77,359.29**	**1,201.73**	**76,157.56**
Less: Unamortized processing fee				**(658.01)**
Total				**76,815.57**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

(₹in Lakh)

Category	Assets category	As at March 31, 2022		
		Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	28,407.85	338.78	28,069.07
Stage 2 – Assets for which there is significant increase in credit risk	Loan	388.12	87.81	300.32
Stage 3 – Credit impaired assets	Loan	235.50	141.30	94.20
Total		**29,031.47**	**567.89**	**28,463.58**
Less: Unamortized processing fee				**(164.46)**
Total				**28,628.04**

An analysis of changes in the Gross Carrying Amount and the corresponding Impairment Allowance in relation to loans:

a) Gross Carrying Amount

(₹ in Lakh)

For the Year ended March 31, 2023	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**27,845.74**	**369.66**	**235.50**	**28,450.90**
New Asset originated or purchased / further increased in existing asset (net)	69,618.78	490.33	-	**70,109.11**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(21,993.61)	(408.54)	(121.59)	**(22,523.74)**
Transfers to / (from) Stage 1	(1,035.13)	-	-	**(1,035.13)**
Transfers to / (from) Stage 2	-	511.31	-	**511.31**
Transfers to / (from) Stage 3	-	-	523.82	**523.82**
Amount written-off	(58.61)	(23.51)	(10.86)	**(92.98)**
Total	**74,377.17**	**939.26**	**626.87**	**75,943.29**
Interest accrued on loans	1,370.14	45.86	-	1,416.00
Gross carrying amount Closing Balance	**75,747.30**	**985.12**	**626.87**	**77,359.29**

(₹ in Lakh)

For the Year ended March 31, 2022	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**14,626.19**	**6.89**	**-**	**14,633.07**
New Asset originated or purchased / further increased in existing asset (net)	21,358.06	39.33	-	**21,397.38**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(7,404.90)	(94.88)	(15.08)	**(7,514.85)**
Transfers to / (from) Stage 1	(671.66)	-	-	**(671.66)**
Transfers to / (from) Stage 2	-	421.08	-	**421.08**
Transfers to / (from) Stage 3	-	-	250.58	**250.58**
Amount written-off	(61.95)	(2.76)	-	**(64.71)**
Total	**27,845.74**	**369.66**	**235.50**	**28,450.90**
Interest accrued on loans	562.11	18.46	-	580.57
Gross carrying amount Closing Balance	**28,407.85**	**388.12**	**235.50**	**29,031.47**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

b) **Expected Credit Loss Allowance**

(₹ in Lakh)

For the Year ended March 31, 2023	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**332.28**	**86.39**	**141.30**	**559.97**
New Asset originated or purchased / further increased in existing asset (net)	552.54	147.10	-	**699.64**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(147.36)	(121.14)	(72.96)	**(341.46)**
Other Adjustments	(209.32)	23.09	-	**(186.23)**
Transfers to / (from) Stage 1	(7.25)	-	-	**(7.25)**
Transfers to / (from) Stage 2	-	153.39	-	**153.39**
Transfers to / (from) Stage 3	-	-	314.29	**314.29**
Amount written-off	(0.41)	(7.05)	(6.51)	**(13.98)**
Excess Provision	-	-	-	**-**
Total	**520.48**	**281.77**	**376.12**	**1,178.38**
Interest accrued on loans	9.60	13.76	-	**23.35**
Gross carrying amount Closing Balance	**530.08**	**295.53**	**376.12**	**1,201.73**

(₹ in Lakh)

For the Year ended March 31, 2022	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	**173.58**	**2.07**	**-**	**175.65**
New Asset originated or purchased / further increased in existing asset (net)	255.09	9.83	-	**264.92**
Assets repaid in part or full / derecognized / assigned (excluding write offs)	(88.37)	(30.31)	(9.05)	**(127.73)**
Other Adjustments	0.74	0.22	-	**0.96**
Transfers to / (from) Stage 1	(8.02)	-	-	**(8.02)**
Transfers to / (from) Stage 2	-	105.27	-	**105.27**
Transfers to / (from) Stage 3	-	-	150.35	**150.35**
Amount written-off	(0.74)	(0.69)	-	**(1.43)**
Excess Provision	-	-	-	**-**
Total	**332.28**	**86.39**	**141.30**	**559.97**
Interest accrued on loans	6.49	1.42	-	**7.92**
Gross carrying amount Closing Balance	**338.77**	**87.81**	**141.30**	**567.89**

ii. **Operational Risk**

The Company has a sound operational process framework and infrastructure, which governs and mitigates the operational risks that arise in the business. Operational risks refer to risk of loss arising from failure of any of the internal processes, people frauds, vendor frauds, system malfunctions or from any external events. The operations risk management framework for the Company consists of the following components:

A comprehensive system of internal controls, wherein the performance of each unit/branch is monitored against defined thresholds. Thresholds are defined for various operational risk areas. These thresholds are monitored regularly, which helps in identification and assessment of various operational risks, managing and responding to specific operational incidents and mitigation through appropriate process and control enhancements. Operational risk management comprises identification and assessment of risks and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

iii. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or the sale of assets at fair market value. It includes both the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position on time at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of Financial Assets and Financial Labilities including Debt financing plans and maintenance of Balance Sheet Liquidity Ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk under our asset-liability management policy. This policy is framed as per the current regulatory guidelines and approved by the Board of Directors. The asset-liability management policy reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape.

The Company has undrawn lines of credit of ₹ 3,430 lakh (PY ₹ 1230 lakh), from its bankers for working capital requirements. The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to Liquidity Risk

The following are the details of Company's remaining contractual maturities of Financial Liabilities and Financial Assets at the reporting date.

As at March 31, 2023 (₹ in Lakh)

Partculars	Contractual cash flows				
	Carrying amount	0 - 1 year	1 - 3 years	3 - 5 years	More than 5 years
Financial Assets					
Cash and Cash Equivalents	24,783.27	24,783.27	-	-	-
Bank Balances (other than Cash and Cash Equivalents)	18.57	15.57	3.00		
Receivables	-	-	-	-	-
Loans	76,815.57	24,949.28	40,502.84	11,130.51	232.94
Investments	2,434.75	2,434.75	-	-	-
Other Financial Assets	359.54	267.63	91.91	-	-
Total	**1,04,411.70**	**52,450.50**	**40,597.75**	**11,130.51**	**232.94**
Financial Liabilities					
Trade Payables	963.95	963.95	-	-	-
Debt Securities	6,534.04	3,922.43	2,611.61	-	-
Borrowings (other than Debt Securities)	64,132.64	27,543.62	34,351.95	2,237.07	-
Lease Rental Liability	310.37	97.08	146.45	66.84	-
Other Financial Liabilities	2,470.25	2,470.25	-	-	-
Total	**74,411.25**	**34,997.33**	**37,110.01**	**2,303.92**	**-**

Note: Classification of assets and liabilities under maturity buckets is based on the some estimates and assumptions, derived from MIS prepared by the Company.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

As at March 31, 2022

Particulars	Contractual cash flows				
	Carrying amount	**0 - 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Financial Assets					
Cash and Cash Equivalents	7,415.79	7,415.79	-	-	-
Bank Balances (other than Cash and Cash Equivalents)	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	28,628.04	10,788.24	15,543.14	2,104.42	192.24
Investments	-	-	-	-	-
Other Financial Assets	26.57	-	26.57	-	-
Total	**36,070.40**	**18,204.03**	**15,569.71**	**2,104.42**	**192.24**
Financial Liabilities					
Trade Payables	208.59	208.59	-	-	-
Debt Securities	1,455.56	831.48	624.08		-
Borrowings (other than Debt Securities)	21,581.46	12,467.98	9,113.48	-	-
Lease Rental Liability	172.72	84.63	83.49	4.59	-
Other Financial Liabilities	590.97	590.97	-	-	-
Total	**24,009.30**	**14,183.65**	**9,821.05**	**4.59**	**-**

Note: Classification of assets and liabilities under maturity buckets is based on the some estimates and assumptions, and derived from MIS prepared by the Company.

The gross inflows disclosed in the above table represent the contractual undiscounted cash flows relating to Financial Assets / Liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market Risk (Interest Rate Risk)

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well.

Exposure to Interest Rate Risk

The Company's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the liquidity risk management section of this note.

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Fixed-rate instruments	18,591.00	5,010.00
Floating-rate instruments	75,943.29	28,450.91
Total	**94,534.29**	**33,460.91**
Financial liabilities		
Fixed-rate instruments	9,625.00	7,500.00
Floating-rate instruments	61,238.83	15,697.00
Total	**70,863.83**	**23,197.00**

note: the above balances are exclusive of accrued interest, unamortized fee and impairment

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Fair value sensitivity analysis for floating-rate instruments

The sensitivity analysis below has been determined based on exposure to the interest rates for Financial Instruments at the end of the reporting periods, and the stipulated change taking place at the beginning of the Financial Year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's Profit Before Tax would have changed by the following:

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating Rate - Loans	759.43	(759.43)	284.51	(284.51)
Floating Rate - Borrowings	(612.39)	612.39	(156.97)	156.97
	147.04	**(147.04)**	**127.54**	**(127.54)**

41.00 Disclosures required as per Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended and notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 by the Reserve Bank of India as applicable to the Company;

41.01 Capital

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)*	38.26%	42.59%
CRAR – Tier I Capital (%)	37.60%	41.15%
CRAR – Tier II Capital (%)	0.66%	1.44%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

41.02 Investments

(₹ Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Value of Investments		
i. Gross Value of Investment		
a) In India	2,434.75	-
b) Outside India	-	-
ii. Provision for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii. Net Value of Investment		
a) In India	2,434.75	-
b) Outside India	-	-
2. Movement of provision held towards depreciation on Investment		
i. Opening Balance	-	-
ii. Add: Provisions made during the year	-	-
iii. Less: Write-off / Write-back of excess provisions during the year	-	-
iv. Closing Balance	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

41.03 Derivatives

There are no derivative transaction entered into by the Company during the year or outstanding as at March 31, 2023 (PY: Nil)

1. Forward rate agreement (FRA) / Interest rate swap (IRS) (₹ Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-

2. Exchange traded interest rate (IR) derivative (₹ Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding as at year end (instrument-wise)	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

3. Disclosures on Risk Exposure in Derivatives : Not applicable

A. Qualitative Disclosure

Since the Company is not involved in derivatives transactions, risk management policy of the Company does not cover any such disclosure.

B. Quantitative Disclosure

Particulars	As at March 31, 2023	As at March 31, 2022
i) Derivatives (Notional Principal Amount)	-	-
ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	-	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

41.04 Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities

Maturity pattern of certain items of Assets and Liabilities*

As at March 31, 2023 (Rs in Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks & Others	Market Borrowings - CP NCD ICD	Advances	Investments
1 to 7 days	55.56	-	1,098.91	-
8 to 14 days	58.56	-	0.37	-
15 days to 1 month	1,381.27	208.33	569.58	-
Over 1 - 2 months	1,511.10	375.00	1,906.39	-
Over 2 - 3 months	3,065.15	312.50	2,653.11	-
Over 3 - 6 months	7,545.26	1,145.83	5,422.96	2,434.75
Over 6 - 12 months	13,996.17	1,833.43	12,058.56	-
Over 1 - 3 years	34,505.45	2,625.00	40,789.53	-
Over 3 - 5 years	2,245.23	-	11,209.30	-
Over 5 - 7 years	-	-	203.10	-
Over 7 - 10 years	-	-	21.17	-
Over 10 years	-	-	10.31	-
Sub - Total	**64,363.76**	**6,500.08**	**75,943.29**	**2,434.75**
Add : Interest accrued not due	92.08	62.47	1,416.00	-
Less: ECL provisions	-	-	1,201.73	
Less: Unamortised Fees	323.19	28.51	(658.01)	-
Total	**64,132.64**	**6,534.04**	**76,815.57**	**2,434.75**

As at March 31, 2022 (Rs in Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks & Others	Market Borrowings - CP NCD ICD	Advances	Investments
1 to 7 days	3,662.89	-	558.33	-
8 to 14 days	-	-	-	-
15 days to 1 month	566.62	208.33	248.36	
Over 1 - 2 months	441.58	-	815.62	-
Over 2 - 3 months	991.14	-	1,127.19	-
Over 3 - 6 months	2,155.05	208.33	2,429.70	-
Over 6 - 12 months	4,715.37	416.65	5,283.89	-
Over 1 - 3 years	9,205.97	625.08	15,767.16	-
Over 3 - 5 years	-	-	2,134.75	-
Over 5 - 7 years	-	-	34.52	-
Over 7 - 10 years	-	-	46.93	-
Over 10 years	-	-	30.24	-
Sub - Total	**21,738.62**	**1,458.38**	**28,476.69**	**-**
Add : Interest accrued not due	-	-	554.78	-
Less: ECL provisions	-	-	567.89	
Less: Unamortised Fees	157.16	2.81	(164.46)	-
Total	**21,581.46**	**1,455.56**	**28,628.04**	**-**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

41.05 Exposures

a Exposure to Real Estate Sector

Category	As at March 31, 2023	As at March 31, 2022
1. Direct exposure		
i. Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	134.90	187.60
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.	-	-
iii. Investments in Mortgaged Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
2. Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	**134.90**	**187.60**

b Exposure to Capital Market

Particulars	As at March 31, 2023	As at March 31, 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
- Category 1	-	-
- Category 2	-	-
- Category 3	-	-
Total Exposure to Capital Market	**-**	**-**

c **Details of financing of parent company products**

There are no products of Parent company which are financed by Vastu HFC.

d **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC**

No exposures where the company had exceeded the prudential exposure limits during the year.

e **Unsecured Advances**

Refer note 6 for unsecured advances. Company has introduced new product of unsercured advances under Business Loan category.

41.06 Miscellaneous

a **Registration obtained from other financial sector regulators**

The Company being a NBFC is registered with RBI and has not obtained registration from other financial sector regulators (PY: Nil)

b **Disclosure of penalties imposed by RBI and other regulators**

There is no penalty imposed by the RBI on Company during relevant financial year

c **Related Party Transactions**

Refer note 38.

d **Ratings assigned by Credit Rating Agencies and migration of ratings during the year**

Type of Facility	CRA	As at March 31, 2023	As at March 31, 2022
Bank Loan Facilities	CARE	CARE AA-; Stable	CARE A+;Positive
Bank Loan Facilities	CRISIL	CRISIL A+/Stable	CRISIL A+/Stable
Non-Convertible Debentures	CARE	CARE AA-; Stable	NA
Non-Convertible Debentures	CRISIL	CRISIL A+/Stable"	CRISIL A+/Stable

e **Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no material prior period items. There has been no change in accounting policies followed during the year vis a vis previous year.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

f Revenue recognition

Revenue is recognised in line with the policy adopted by the Company.

g Consolidated Financial Statements

Not Applicable (PY: Nil)

41.07 Additional Disclosures

a Provisions & Contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement Profit and Loss		
i. Provisions for depreciation on Investment	-	-
ii. Provision made towards Income tax	(236.46)	(20.24)
iii. Provision for Standard Assets	399.02	250.94
iv. Provision towards NPA	234.82	141.30
v. Other Provision and Contingencies - Gratuity	33.90	9.49

b Draw down from reserves

There has been no draw down from reserves during the period ended March 31, 2023 (P.Y. Nil)

c Concentration of deposits, advances, exposures and NPAs

i. Concentration of public deposits - Not applicable (PY: Nil)

ii. Concentration of loans & advances

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure	76,013.33	28,476.69
Total loans & advances to twenty largest borrowers	837.01	346.11
Percentage of loans & advances to twenty largest borrowers to total advances	1.10%	1.22%

iii. Concentration of exposure

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure (including off balance sheet)	79,874.81	29,304.56
Total exposure to twenty largest borrowers / customers (including off balance sheet)	862.02	346.11
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers	1.08%	1.18%

iv. Unhedged Foreign currency exposure.

The company does not have any foreign currency exposure.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

v. Concentration of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure top four NPA accounts	49.25	37.52

vi. Sector Wise NPA

Sectoral Exposures

Sectors	Current year			Previous Year		
	Total Exposure	Gross NPA's	% of Gross NPA's to total Exposure	Total Exposure	Gross NPA's	% of Gross NPA's to total Exposure
1. Agriculture & Allied Activities	-	-	-	-	-	-
2. Industry						
3. MSME	-	-	-	-	-	-
4. Corporate Borrowers	-	-	-	-	-	-
5. Services	-	-	-	-	-	-
6. Unsecured personal loans	-	-	-	-	-	-
7. Auto loans	75,689.83	617.17	0.82%	28,843.89	225.80	0.78%
8. Other personal loans	323.50	9.70	3.00%	187.58	9.70	5.17%

d Movement of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances (%)	**0.33%**	**0.33%**
(II) Movement of NPAs (Gross)		
a) Opening balance	235.50	-
b) Additions during the year	1,161.28	475.71
c) Reductions during the year	769.91	240.21
d) Closing balance	626.87	235.50
(III) Movement of Net NPAs		
a) Opening balance	94.20	-
b) Additions during the year	601.45	294.84
c) Reductions during the year	444.90	200.64
d) Closing balance	250.75	94.20
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	141.30	-
b) Provisions made during the year	559.83	180.87
c) Write-off/write-back of excess provisions	325.01	39.57
d) Closing balance	376.12	141.30

e Overseas asset

The Company does not have any overseas Joint Venture or Subsidiary as at year ended March 31, 2023 (PY: Nil)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

f Off - balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

41.08 Disclosure of complaints

Particulars	As at March 31, 2023	As at March 31, 2022
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	9	15
c) No. of complaints redressed during the year	9	15
d) No. of complaints pending at the end of the year	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
Complaints received by the NBFC from its customers		
1) No. of complaints pending at the beginning of the year	-	-
2) No. of complaints received during the year	9	15
3) No. of complaints disposed during the year	9	15
of which number of complaints rejected by the NBFC	-	-
4) No. of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman	**-**	**-**
5) No. of maintainable complaints received by the NBFC from office of Ombudsman	-	-
i) of 5, number of complaints resolved in favour of NBFC by Office of Ombudsman	-	-
ii) of 5, number of complaints resolved through conciliation/mediation/ advisoried issued by Office of Ombudsman	-	-
iii) of 5, number of complaints resolved after passing of awards by Office of Ombudsman against the NBFC	-	-
6) No. of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top 5 grounds of complaints received by the NBFCs from customers

Grounds of complaints	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 previous year	Number of complaints pending at the end of the year	of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Current year			
Ground - 1	-	-	-	-	-
Ground - 2	-	-	-	-	-
Ground - 3	-	-	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-
Others	-	9	40%(decrease)	-	-
Total	-	9	40%(decrease)	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Grounds of complaints	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 previous year	Number of complaints pending at the end of the year	of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Previous year					
Ground - 1	-	-	-	-	-
Ground - 2	-	-	-	-	-
Ground - 3	-	-	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-
Others	-	15	100% (increase)	-	-
Total	-	15	100% (increase)	-	-

41.09 Breach of covenants

During the year there was no breach of covenants of debts and borrowing availed by the Company.

41.10 Divergence in asset classification and provisioning

No divergence observed

41.11 Schedule to Balance Sheet

Particulars	As at March 31, 2023	
	Amount Outstanding	Amount Overdue
LIABILITIES SIDE		
1 Loans and advances availed by the Non-banking Financial Company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
-Secured	6562.55	-
-Unsecured (other than falling within the scope of public deposit)	-	-
(b) Deferred Credit	-	-
(c) Term Loans *	64,455.84	-
(d) Inter-Corporate Loans and Borrowings	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Bank Overdraft	-	-
(h) Other Loans	-	-
2 Breakup of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	-	-
	-	-
a In the form of Unsecured debentures	-	-
b In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	-	-
c Other public deposits	-	-
ASSET SIDE		
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured *	77,168.86	390.83
(b) Unsecured *	190.43	-
4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:		
(a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	
(ii) Operating Lease	-	

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

Particulars	As at March 31, 2023 Amount Outstanding	As at March 31, 2023 Amount Overdue
(b) Stock on hire including hire charges under sundry debtors:		
(i) Assets on Hire	-	
(ii) Repossessed Assets	-	
(c) Other Loans counting towards assets financing activities		
(i) Loans where assets have been repossessed	-	
(ii) Loans other than (a) above	-	
5 Break-up of Investments:		
Current Investments		
(a) Quoted		
(i) Shares		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	2,434.75	-
(v) Others	-	-
(b) Unquoted		
(i) Shares		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long-Term Investments		
(a) Quoted		
(i) Shares		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
(b) Unquoted		
(i) Shares		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

* excluding unamortized income/expense

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

6 **Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category			As at March 31, 2023	
		Secured	Unsecured	Total
(a)	Related Parties			
	(i) Subsidiaries	-	-	-
	(ii) Companies in the same group	-	-	-
	(iii) Other related parties	-	-	-
(b)	Other than related parties *	77,168.86	190.43	77,359.29
	Impairment loss allowance	1,200.48	1.25	1,201.73
	Total	**77,168.86**	**190.43**	**77,359.29**

* excluding unamortized income/expense

7 **Investor group-wise classification of all investments (current and long term) in Shares and Securities (both quoted and unquoted):**

Category		As at March 31, 2023	
		Market Value / Fair Value / NAV	Book Value (Net of Provisions)
(a)	Related Parties		
	(i) Subsidiaries	-	-
	(ii) Companies in the same group	-	-
	(iii) Other related parties	-	-
(b)	Other than related parties	2,434.75	2,434.75
Total		**2,434.75**	**2,434.75**

8 **Other Information:**

Particulars		As at March 31, 2023
(a)	Gross Non-Performing Assets	
	(i) Related Parties	-
	(ii) Other than related parties	626.87
(b)	Net Non-Performing Assets	
	(i) Related Parties	-
	(ii) Other than related parties	250.75
(c)	Assets acquired in satisfaction of debt	-
Total		**877.62**

41.12 **Related Party Disclosures**

A **List of related parties:**

a) **Holding / Parent Company**

Vastu Housing Finance Corporation Limited

b) **Key Managerial Personnels (KMPs)**

Sandeep Menon - Whole Time Director

Udit Kariwala - Chief Financial Officer (From 04/06/2022)

Nikita Nath - Company Secretary

Vikki Soni - Chief Financial Officer (Till 03/06/2022)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

B Disclosure of Related Party Transactions:

Items	Parent (As per ownership or control)		Subsidiaries		Associates / Joint ventures		Key Management Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed/ Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed/ Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-
Others												
1. Investment in Equity Shares by Holding company:	17,500.00	2,500.00	-	-	-	-	-	-	-	-	17,500.00	2,500.00
2. Shared Services Expense from Holding company	480.66	265.18	-	-	-	-	-	-	-	-	480.66	265.18
3. Shared Services Income from Holding company	239.78	215.38	-	-	-	-	-	-	-	-	239.78	215.38

C Amount due to / from Related Parties:

Particulars	As at March 31, 2023	As at March 31, 2022
Net Receivable / (Payable)		
Vastu Housing Finance Corporation Limited	(125.33)	(37.04)

Note:
The transactions with Related Parties are disclosed only till the relationship exists.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

41.13 Liquidity Risk Management Framework

A Funding Concentration based on significant counterparty (Borrowings)

I As at March 31, 2023 (₹ in Lakh)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	5,641.53	Not Applicable	7.55%

As at March 31, 2022 (₹ in Lakh)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
8	23,196.99	Not Applicable	96.33%

(₹ in Lakh)

II Top 20 Large deposits	As at March 31, 2023	As at March 31, 2022
NA	-	-

(₹ in Lakh)

III Top 10 Borrowings	As at March 31, 2023	As at March 31, 2022
Name of the Facility	Amount	Amount
NCD / Term Loan - 1	7,262.79	4,562.17
NCD / Term Loan - 2	4,629.81	4,000.00
NCD / Term Loan - 3	4,000.00	3,600.39
NCD / Term Loan - 4	3,999.99	3,500.00
NCD / Term Loan - 5	3,750.00	2,187.50
NCD / Term Loan - 6	3,498.95	1,455.56
NCD / Term Loan - 7	3,246.95	1,187.50
NCD / Term Loan - 8	3,000.00	1,000.00
NCD / Term Loan - 9	3,000.00	951.05
NCD / Term Loan - 10	3,000.00	750.00
Total Borrowings	**70,863.83**	**23,197.00**
% of Total Borrowings	56%	100%

IV Funding Concentration based on significant Instrument/Product:	As at March 31, 2023		As at March 31, 2022	
Name of the Instrument/Product	**Amount**	**% of Total Liabilities**	**Amount**	**% of Total Liabilities**
NCD	6,534.04	9.25%	1,458.85	6.32%
Term loans from banks and FI	64,132.64	90.75%	17,981.07	78.05%
Short term borrowings (CC+WC+CP+OD)	-	-	3,600.39	15.63%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

V Stock Ratios

Stock Ratios basis the outstanding	As at March 31, 2023	As at March 31, 2022
Commercial papers as a % of		
public funds	NA	NA
total net liabilities	NA	NA
total assets	NA	NA
Non Convertible Debenture (original maturity of less than one year) as a % of total liabilities		
public funds	NA	NA
total net liabilities	NA	NA
total assets	NA	NA
Other short-term liabilities as a % of		
public funds	NA	NA
total net liabilities	5.09%	3.95%
total assets	3.59%	2.61%

VI Disclosures in respect of guidelines on maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ in Lakh)

High Quality Liquid Assets	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted* Value (in Lakh)	Total Weighted** Value (in Lakh)	Total Unweighted* Value (in Lakh)	Total Weighted** Value (in Lakh)
Total High Quality Liquid Assets (HQLA)				
Cash in hand & Bank balance	6,195.19	-	2,564.65	-
Government Securities (unencumbered)	2,434.75	-	-	-
Marketable Securities issued by sovereigns, PSEs or multidevelopment banks with < 20% risk weight (not by bank/FI/NBFC)				
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding ***	-	-	-	-
Secured wholesale funding ****	1,703.71	1,959.27	3,530.75	4,060.37
Other contingent funding obligations	3.00	3.45	-	-
Other contractual funding obligations	1,518.41	1,746.17	688.02	791.22
TOTAL CASH OUTFLOWS	**3,225.12**	**3,708.89**	**4,218.77**	**4,851.59**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

(₹ in Lakh)

High Quality Liquid Assets	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted* Value (in Lakh)	Total Weighted** Value (in Lakh)	Total Unweighted* Value (in Lakh)	Total Weighted** Value (in Lakh)
Cash Inflows				
Secured lending	1,668.85	1,251.64	1,609.82	1,207.37
Inflows from fully performing exposures	-			
Interest Income on FD	94.32	70.74	36.07	27.05
Free FD and MF	9,573.00	7,179.75	8,959.42	6,719.56
Cash Credit	2,430.00	1,822.50	2,830.00	2,122.50
TOTAL CASH INFLOWS	**13,766.17**	**10,324.63**	**13,435.31**	**10,076.48**
TOTAL HQLA		**8,629.94**		**2,564.65**
TOTAL NET CASH OUTFLOWS OVER 30 DAYS PERIOD		**927.22**		**1,212.90**
LIQUIDITY COVERAGE RATIO (%)*****		**931%**		**211%**
Regulatory Requirement (%)		**50.00%**		**50.00%**
Required amount		**463.61**		**606.45**

*Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

**Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

***Unsecured wholesale funding includes cash outflow on account of CP, ICD & unsecured Debenture repayments

****Secured wholesale funding includes all other borrowing repayments

*****The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days.

Reporting requirement under same became applicable from the quarter ended December 31, 2022.

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity HFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next 30 calendar days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

VII Institutional set-up for liquidity risk management

Refer 40.3 (iii) Liquidity Risk

VIII Loans to Directors, Senior Officers and relatives of Directors

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

42 Disclosure in line with RBI's circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2023 (₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	75,747.30	530.08	75,217.23	302.99	227.09
	Stage 2	985.12	295.53	689.59	3.94	291.59
Subtotal		**76,732.42**	**825.61**	**75,906.81**	**306.93**	**518.68**
Non-Performing Assets (NPA)						
a) Substandard	Stage 3	506.41	303.85	202.56	84.10	219.75
b) Doubtful						
-up to 1 year	Stage 3	120.45	72.27	48.18	37.47	34.80
-1 to 3 years	Stage 3	-	-	-	-	-
-more than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**120.45**	**72.27**	**48.18**	**37.47**	**34.80**
c) Loss Asset	Stage 3	-	-	-	-	-
Subtotal for NPA		**626.87**	**376.12**	**250.75**	**121.57**	**254.55**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1*	3861.48	-	3861.48	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**3,861.48**	**-**	**3,861.48**	**-**	**-**
TOTAL	Stage 1	75,747.30	530.08	75,217.23	302.99	227.09
	Stage 2	985.12	295.53	689.59	3.94	291.59
	Stage 3	626.87	376.12	250.75	121.57	254.55
	TOTAL	**81,220.77**	**1,201.73**	**80,019.04**	**428.50**	**773.23**

*These sanctions are given on the basis of the initial credit assessment of the customers and are convertible into disbursement on option of the Company basis the completion of procedure which includes amoung other documents formalities etc.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

As at March 31, 2022

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	28,407.85	338.78	28,069.07	71.02	267.76
	Stage 2	388.12	87.81	300.32	0.97	86.84
Subtotal		**28,795.97**	**426.59**	**28,369.39**	**71.99**	**354.60**
Non-Performing Assets (NPA)						
a) Substandard	Stage 3	235.50	141.30	94.20	35.32	105.98
b) Doubtful						
-up to 1 year	Stage 3	-	-	-	-	-
-1 to 3 years	Stage 3	-	-	-	-	-
-more than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
c) Loss Asset	Stage 3	-	-	-	-	-
Subtotal for NPA		**235.50**	**141.30**	**94.20**	**35.32**	**105.98**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1*	827.88	0	827.88	0	0
	Stage 2	0	0	0	0	0
	Stage 3	0	0	0	0	0
Subtotal		**827.88**	**-**	**827.88**	**-**	**-**
TOTAL	Stage 1	28,407.85	338.78	28,069.07	71.02	267.76
	Stage 2	388.12	87.81	300.32	0.97	86.84
	Stage 3	235.50	141.30	94.20	35.32	105.98
	TOTAL	**29,859.34**	**567.89**	**29,291.46**	**107.31**	**460.57**

*These sanctions are given on the basis of the initial credit assessment of the customers and are convertible into disbursement on option of the Company basis the completion of procedure which includes amoung other documents formalities etc.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2023

43 Details of loans transferred / acquired during the quarter ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Sl. No	Particulars	Transferred under direct assignment transaction
A	Nature of Entity	Bank
B	Count of Loan Accounts Assigned	2,218.00
C	Amount of Loan Account Assigned (₹ In Lakh)	5,427.40
D	Retention of beneficial economic interest (MRR)	10%
E	Weighted Average Maturity (Residual Maturity)	26.14 months
F	Weighted Average Holding Period	15.40 months
G	Coverage of tangible security coverage	100%
H	Rating-wise distribution of rated loans	NA

44 Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021:

(₹ in Lakh)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
Capital to risk-weighted assets ratio (CRAR)	30,689.22	80,204.27	38.26%	42.59%	-10.17%
Tier I CRAR	30,159.00	80,204.27	37.60%	41.15%	-8.62%
Tier II CRAR	530.23	80,204.27	0.66%	1.44%	-54.24%
Liquidity Coverage Ratio*	8,629.94	927.22	931%	NA	NA

45 Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :

The Company have not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended March 31,2023 and financial years ended March 31, 2022

46 Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2023

47 Expenditure in Foreign Currency

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Expenditure in Foreign Currency	-	-

48 Balance grouped under loans and advances in certain cases are subject to confirmation and reconciliation. Impact of the same, if any, shall be accounted as and when determined, which are not expected to be material.

In the opinion of the management, the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

49 There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Company during / for the year to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

50 Other disclosure required under Schedule III as amended:

a The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

c The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

d The Company has not entered into any scheme of arrangement.

e No satisfaction of charges are pending to be filed with ROC beyond the statutory period.

f There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g 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, 2023 and March 31, 2022.

51 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

52 Figures in the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.

In terms of our report attached of even date
For **Khandelwal Jain & Co**
Chartered Accountants
FRN: 105049W

sd/-
Pankaj Jain
Partner
Membership No. 048850

Place : Mumbai
Date : April 17, 2023

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

sd/-
Sandeep Menon
Whole Time Director
(DIN: 02032154)

sd/-
Sudhir Variyar
Director
(DIN: 00168672)

sd/-
Udit Kariwala
Chief Financial Officer

sd/-
Nikita Nath
Company Secretary

Weblinks:

The web link of the documents placed on the Company's website as required under various regulations as applicable to the Company are provided below:

Sr No	Document	Purpose	Weblink
1	Whistle Blower Policy	The Policy outlines the whistle blower mechanism of the Corporation.	https://www.vastufinserve.com/assets/pdf/Whistle-Blower-Policy.pdf
2	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code provides the policy for fair disclosure of unpublished price sensitive events of the Company.	https://www.vastufinserve.com/assets/pdf/VFIL-Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf
3	Policy on Appointment of Statutory Auditors	The Policy provides a framework and set standards for the appointment of Statutory Auditors who fulfill the eligibility criteria and other conditions prescribed under RBI Guidelines and applicable laws	https://www.vastufinserve.com/assets/pdf/VFIPL-Policy-on-appointment-of-Statutory-Auditor.pdf
4	CSR Policy	This Policy provides an overall CSR framework	https://www.vastufinserve.com/assets/pdf/CSR-Policy.pdf

OUR BRANCHES

Ahmedabad - 204, 2nd Floor , Shaan Complex, Nr. Sakar - II , Opp. Town Hall, Ellisbridge, Ahmedabad, Gujarat - 380006 I **Rajsamand -** Shop No. 125, First Floor, Surbhi Complex, Nathdwara Road, Jalchaki Kakroli, Rajsamand Rajasthan State, -313324 I **Ajmer -** AMC. Number 1181/28, Near Purani Chungi Chowki, opposite DAV School, Adarsh Nagar Ajmer Rajasthan 305002 I **Neemuch -** Meera building 1st floor Bungalow No 7 Neemuch -2 Madhya Pradesh 458441 I **Ujjain Sanwer Road -** Unit no. 202 Second floor 7 MIG Muni Nagar SanwerRoad , Indore Road, Opp. Petrol Pump, Ujjain Madhya Pradesh 456001 I **Khargone -** Madhav Complex Part One 1st floor, Diversion Road, Khargone M.P 451001 I **Ratlam -** 1st Floor Durret Residency,123,Near Paliwal Bhawan, Station Road, Ratlam (M.P.) -457001 I **Rajahmundry -** Door No. 6-3-13, 1st Floor, Above South Indian Bank, Challapalli Vari Street,T-Nagar, Rajamahendravaram (Rajahmundry) , Andhra Pradesh 533101 I **Barmer -** Gadra bypass Road, Shastri Nagar, Barmer – 344501 I **Indore (Vijay Nagar) -** Office No. 107, 1st Floor, Om Gurudev Plaza B/H Sayaji Hotel, Bhamori Road, Vijay Nagar, Indore, Madhya Pradesh - 452010 I **Balotra -** Plot 277, Jodhpur Road, Near Ramdev ji Mandir, Pachpadra Road, Balotra, Rajasthan-344022 I **Zirakpur -** SCO 24, First Floor, Silver City Ambala-Chd Highway Zirakpur District-Mohali, Punjab Pin Code-140603 I **Panipat - 1** st floor, Plot No 930/8 RJ Tower Opposite IB Collage and Near HDFC Bank Main G.T. Road -Panipat Haryana-132103 I **Shajapur -** Office No. 2, (1st Floor), Above Canera Bank, Near LIC office, Station Road, Shajapur, Madhya Pradesh – 465001 I **Jalore -** Plot no 65-67 (First Floor), Hanuman Nagar Colony, Jalore, Rajasthan – 343001 I **Merta -** Office No. 101, First Floor, Ward No. 14, Krishi Mandi, Near Police Station, Mertacity, District Nagaur - 341510, Rajasthan I **Lucknow -** Office no. "B-2/64, First Floor, SSC Trade Tower, Vibhooti Khand, Gomti Nagar, Lucknow-226010 I **Alwar -** 42, Scheme no 3, Gayatri Tower, Vasant Vihar, Alwar, Rajasthan – 301001 I **Tumkur -** Deeksha Arcade, Number 26, 2nd Floor, SIT Extension,OPP: 27th Cross, SIT Main Road Tumkur -572103 I **Mysore -** MS Acorns, Site - 15,Ward no - 37, 2nd Floor, Siddivinayaka Block, Dr.Radhakrishna Nagara, Dr.Rajkumar Road,Mysore - 570011 I **Kanpur -** Office no. 122/729, First Floor, Shastri Nagar, Kanpur-208005 I **Gwalior -** 1 st floor, Vinayak Tower , House No. 588, Survey no 750 , Ward No. 14/60 , Sachine Tendulkar Marg, Gram Mehra above Union Bank of India, Gwalior-474001 I **Shahpura -** Shahpura Mart, 1st Floor, opposite NHAI Office Jaipur Road, Shahpura, Dist. Jaipur, Rajasthan, 303103 I **Mandsaur -** 97, Shri Vallabh Bhawan, Kalidas Marg, Station Road, Mandsaur (Madhya Pradesh) 458001 I **Pune -** Sr. No. 26, 27 and 28, C.T.S. 28, Bhamburda,Plot No 55, Sangamwadi, T.P. Scheme No 1, Plot No. 1 and 3, Mayfair Phase No. II, Second Floor Office No 102, Shivaji Nagar (Bhamburda), Pune - 411005 I **Chittorgarh -** Part of Plot No. 01, North Side, Pratap Nagar (Mittharam Ji Ka Kheda), Chittorgarh Tehsil District Chittorgarh (Rajasthan) 312001 I **Bangalore -** 3rd Floor, No.39/2, Santoshima Enclave, A Block, T.Dasarahalli,8th Mile, Tumkur Road, Bangalore -560057 I **Jhalawar -** Agrasen Nagar, Police Line Road, Jhalawar 326001 I **Sumerpur -** Near Jalore Circle, Above ICICI Bank, Pali Road, Sumerpur - 306902 I **Sehore -** Khasra No 490/1/1/2/4, Second Floor, W no 2, Sehore Chavni, Madhya Pradesh - 466001 I **Sri Ganganagar -** Chak 1a, 2nd Floor, Chotti Murabba No 49, Killa No 6, Sri Ganganagar –335001 I **Jhunjhunu -** Ground Floor, P.No.A-39, Maan Nager, Road No -2, Jhunjhunu -333000 I **Bikaner -** Plot No. 64, Sadul Ganj, Panchashati Circle, Bikaner - 334001 I **Jabalpur -** House No 151/A , Ukhari chowk , MR 4 Road , Vivekanand Ward , Jabalpur, Madhya Pradesh - 482001 I **Nagaur -** 2nd Floor, Vinayak Tower, Didwana Road, Opp Ganesh Temple, Nagaur - 341001 I **Dhar - 1**st floor, House No. 194/2 Bakhtawar Marg, Above Sindiket Bank, Dhar - 454001 I **Guna -** 1st floor, Umari Road Piprodakhurd Guna, P.H.No. 63 , Survey no. 183/2 , Nanakhedi Guna -473001 (M.P) I **Chindwara -** 66 KV ke samne, Noniyaparasiya Road, Chhindwara Madhya Pradesh- 480001 I **Indore -** M-05,Mezzanine Floor, Tirupati Business Center Plot No.22/1 , South Tukogaj , Indore - 452001 I **Betul -** Shri Dwarka Tower Near ICICI Bank Kalapatha Subhash Ward, Betul Madhya Pradesh – 460001 I **Churu -** Ward No. 12, Near Town Hall, Churu - 331001 I **Baran -** Office Nos. 5 & 7, First Floor, Opposite Govt Hospital, Hospital Road, Baran - 325205 I **Udaipur -** Office no. 203, Second Floor, Fun Square Durga Nursery Road, Udaipur, Dist.- Udaipur, Rajasthan-313001 I **Delhi -** F NO-301/10165 MEZZANINE GURUDWARA ROAD WEST EXTN AREA KAROL BAGH DELHI 110005 I **Deoli (Tonk) -** 1st Floor, Suwalka complex, Opp. Government College, Main Jaipur Road, Deoli-304804, Dist.-Tonk Rajasthan I **Shujalpur -** M.G. Road, Shujalpur Mandi, Shujalpur- 465333 I **Hyderabad - L. B. Nagar -** Plot No. 124 Part, D.No. 3-11-22, 2nd Floor, Survey No. 64 Part, Mansoorabad Village, Saroornagar Revenue Mandal, Ranga Reddy District, Under L. B. Nagar Muncipality, Hyderabad, Telangana-500074 I **Nagpur -** Kapuria Bunglow House No. 452, Plot No. 82, Agrasen Road, Dharampeth, Nagpur - 440010 I **Kota -** Second Floor 17 A, New Colony, Gumanpura, Kota, Rajasthan- 324007 I **Dewas -** Top Floor, Plot No. 7/A Ward No. 23 Kalani Bagh Dewas M.P 455001 I **Channapatna -** 1st

Floor No. 4881/A, Old Khatha No. 2291/3/A, Bangalore Mysore Road, Channapatna Town, A Division, Ward No. 9, Channapatna Taluk, Ramanagar District, Karnataka - 562160 I **Sikar -** Office No. 203 & 204, Second Floor, Bhaskar Mega mall, Near Maru Mandir, Station Road, Sikar - 332001, Rajasthan I **Indore RO-Vijay Nagar -** 401 Office 4th Floor, Om Gurudev Plaza Scheme 54 Mechanic Nagar Extension Vijay Nagar Indore MP 452010 I **Raipur-**1st Floor, Priydarshani Nagar, Vallabh Nagar Durga MandirRaipur (CG) 492001 I **Jaipur (Shayam Nagar) -** 2nd Floor, F 300, Marudhar Palaza, Shayam Nagar New Sanganer Road, Jaipur, Rajasthan-302019 I **Chhatrapur -** W.no 35, Loknath Puram Tiraha, Sagar Road, Tehsil & Dist. Chhatarpur MP - 471001. I **Kuchamancity -** First Floor,Tehsil ke pass, Mirdha Nagar, Kuchamancity Dist, Nagaur 341508 Rajasthan I **Khammam -** Floor no. 2 HNO: 10-2-122, Mamillagudem, Khammam-507001, Telangana I **Bilaspur -** Plot No.14,15,16, Narmada Nagar, 2nd Floor,Ring Road no. 2, Bilaspur - 495001 (C.G) I **Bhilwara -** 1st Floor, Tapas Tower, Plot no. A-56, Subash Nagar, Ajmer Road Bhilwara- 311001 Rajasthan I **Jodhpur -** 2nd Floor, N K Tower, Plot no. 49, Comm L.I.G.H.T. No.3, Near Umrao Khan Petrol Pump, Choupasni Road Jodhpur - Rajasthan- 342001 I **Hyderabad -** Office Unit No. 601, Sixth Floor, VIJAY SAI TOWERS. premises bearing Nos. 611 & 611/A, Survey Nos. 573 and 574, Kukatpally Village, Rangareddy, Hyderabad-500072

VASTU FINSERVE INDIA PRIVATE LIMITED

Regd. Office:
Unit No. 203 & 204, 2nd Floor,
A Wing, Navbharat Estate, Zakaria Bunder Road,
Sewri West, Mumbai - 400015, India.

Toll Free No.: 18002677770
Email: customercare@vastufinserve.com
Web: www.vastufinserve.com