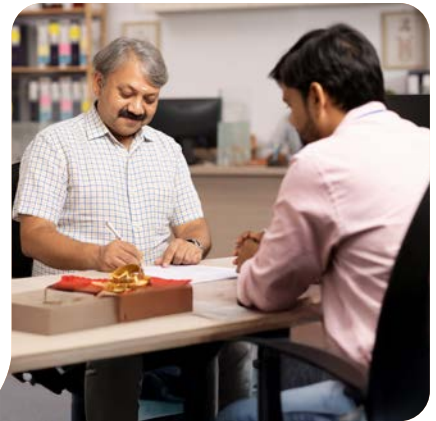


STRENGTHENING **TRUST.** DRIVING **IMPACT.** FINANCING **DREAMS.**



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



Strengthening Trust. Driving Impact. Financing Dreams.

The fiscal year 2024-25 was marked by a challenging industry environment and increased regulatory pressures for the microfinance sector in India. Amidst this backdrop, Asirvad, an NBFC-MFI, remained focussed on its core mission – promoting financial inclusion through responsible lending while ensuring transparency and ease of interaction, reinforcing trust and creating long-term impact for all stakeholders.

With the solid support of our Promoter, Manappuram Finance Limited, and strong partnerships with a diversified lender base, we continued to deliver timely financial solutions while maintaining portfolio quality despite credit tightening and cautious lender sentiment during the fiscal year. The reaffirmation of our CRISIL AA-/Stable rating further reflects our robust parentage, prudent underwriting practices, financial health, strong governance practices and continued lender trust in our competencies.

We have adopted the Joint Liability Group ('JLG') lending model, a peer liability sharing model backed by mutual guarantees. The model helps our borrowers to avail loans without collateral on an individual basis while encouraging group accountability and credit discipline. It aligns with our vision of empowering the financial dreams of the underbanked and underprivileged population, particularly women, and enhancing their income generating activities. We also offer credit shield insurance to our borrowers and co-borrowers to help safeguard borrower households against unforeseen events while bolstering their engagement. This, alongside our various community development initiatives, has strengthened our position as a trusted financial partner in our borrowers' journey towards achieving financial independence.

Guided by seasoned leadership, technology-led processes, robust risk management and a skilled workforce, we operate a fully automated loan processing system – right from onboarding to cashless disbursements. Additionally, our presence across India and deep market understanding of local markets have helped us to respond swiftly and responsibly to evolving borrower needs.



As a responsible lender, we remain dedicated in bridging financial gaps, prioritising our customers' credit needs while contributing to India's broader vision of inclusive growth and development.

Asirvad Overview

On August 29, 2007, our Company was established as 'Asirvad Micro Finance Private Limited', a private limited Company under the Companies Act, 1956, at Chennai, Tamil Nadu. Simultaneously, our Company received the certificate of incorporation from the Assistant Registrar of Companies, Chennai, Tamil Nadu, the Andaman and Nicobar Islands. In due course, our Company was converted into a Public Limited Company and renamed as 'Asirvad Micro Finance Limited'. A certificate of registration

as an NBFC was granted by the RBI under Section 45-IA of the Reserve Bank of India Act, 1934. Subsequently, the RBI granted NBFC-MFI status to our Company with effect from October 4, 2013.

We primarily offer microfinance loans to low-income women, fulfilling the credit aspirations of the unbanked and socially and economically disadvantaged population. Additionally, we provide MSME loans and Loans against Gold.



WHERE WE STAND

₹ 8,188.79
Crores (AUM)

₹ 4,588.31
Crores (MFI)

₹ 10,877.30
Crores (GL)

₹ 19.59
Crores (MSME)

Total Disbursements

₹ 34.92
Lakhs (MFI)

₹ 1.41
Lakhs (GL)

₹ 0.03
Lakhs (MSME)

Active Borrowers

1,788

Total Branches across 22 States & 4 Union Territories

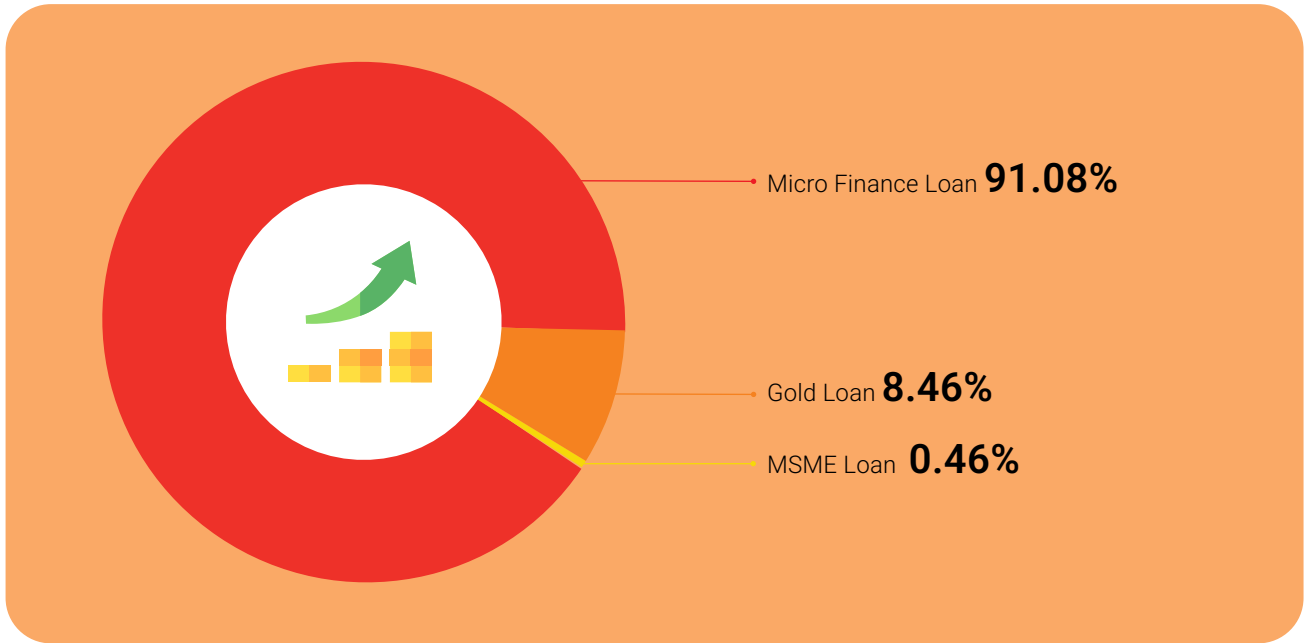
46

No. of Lenders

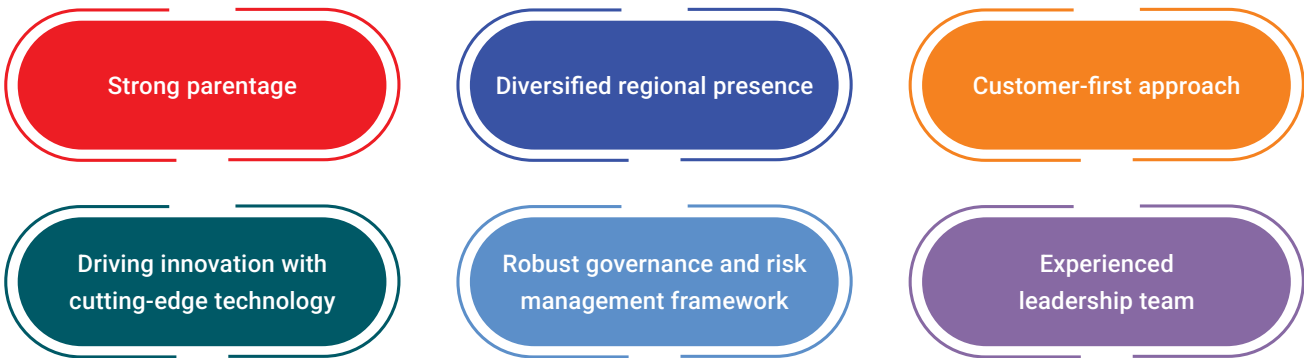
17,506

Total Employees

REVENUE MIX BY PRODUCT



WHAT SETS US APART



CREDIT RATING



- ★ CRISIL AA-/Stable and CARE AA-/Stable Bank Loans (Long Term)
- ★ CRISIL AA-/Stable and CARE AA-/Stable Non Convertible Debentures (Long Term)
- ★ CRISIL AA-/Stable Subordinated Debt (Long Term)
- ★ CRISIL PPMLD AA-/Stable Principal Protected Market Linked Debentures
- ★ CRISIL A1+ Commercial Paper
- ★ CARE MFI 1 MFI Grading
- ★ C1-Care Edge COCA Report



Vision

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



Mission

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



Values

A - Acceptance

S - Support

I - Integrity

R - Resilience

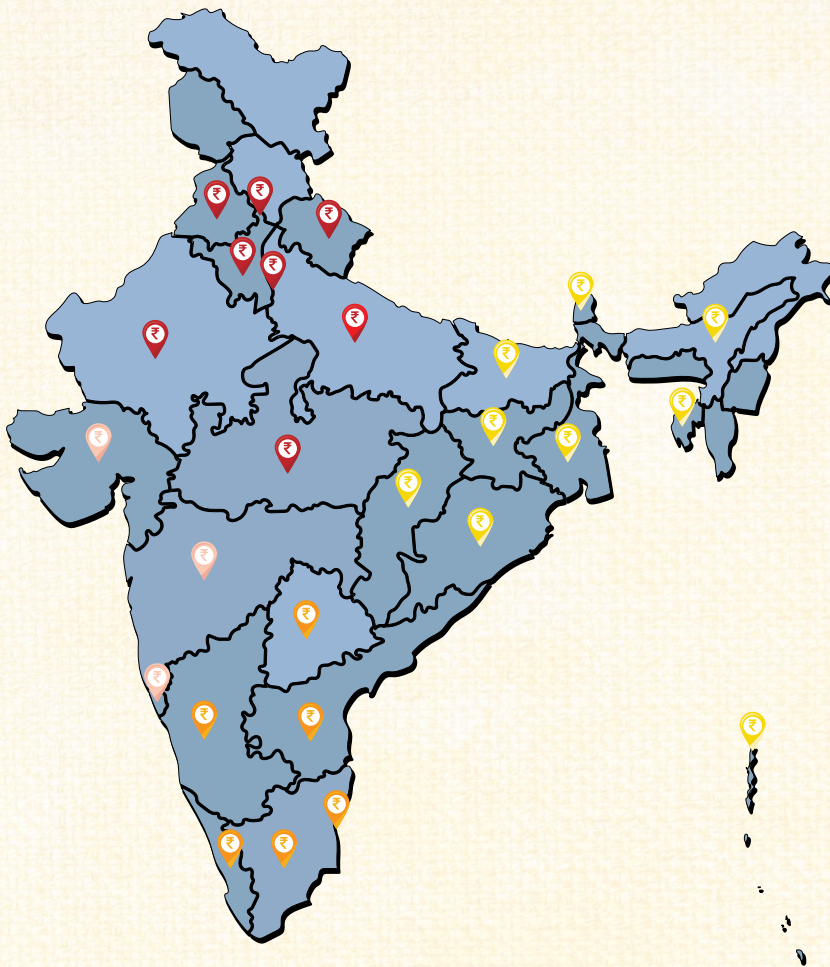
V - Viable

A - Adaptable

D - Dependable

Widespread Branch Network

We began our operations in 2008 with just 2 branches in Tamil Nadu. Since then, we have grown into a microfinance institution (MFI) with a pan India presence. As one of the most geographically diversified MFIs, we strive to mitigate the risk of regional concentration in the microfinance sector.



1,788

Total Branches

22

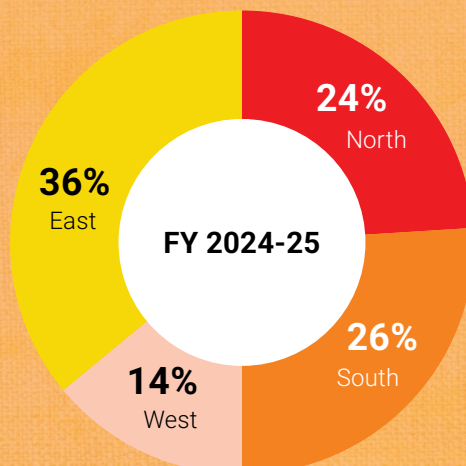
States

4

Union Territories

Map not to scale. For illustrative purposes only.

REGION WISE BRANCH MIX



Corporate Overview

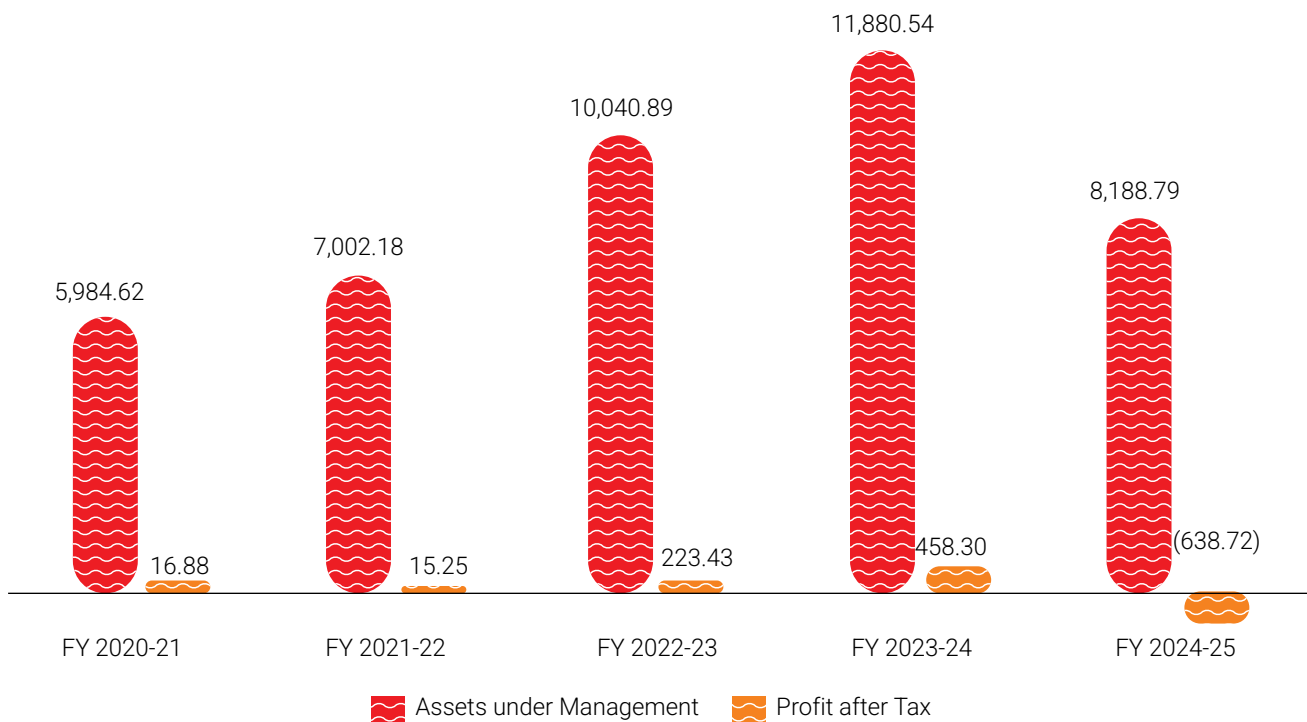
Statutory Reports

Financial Statements

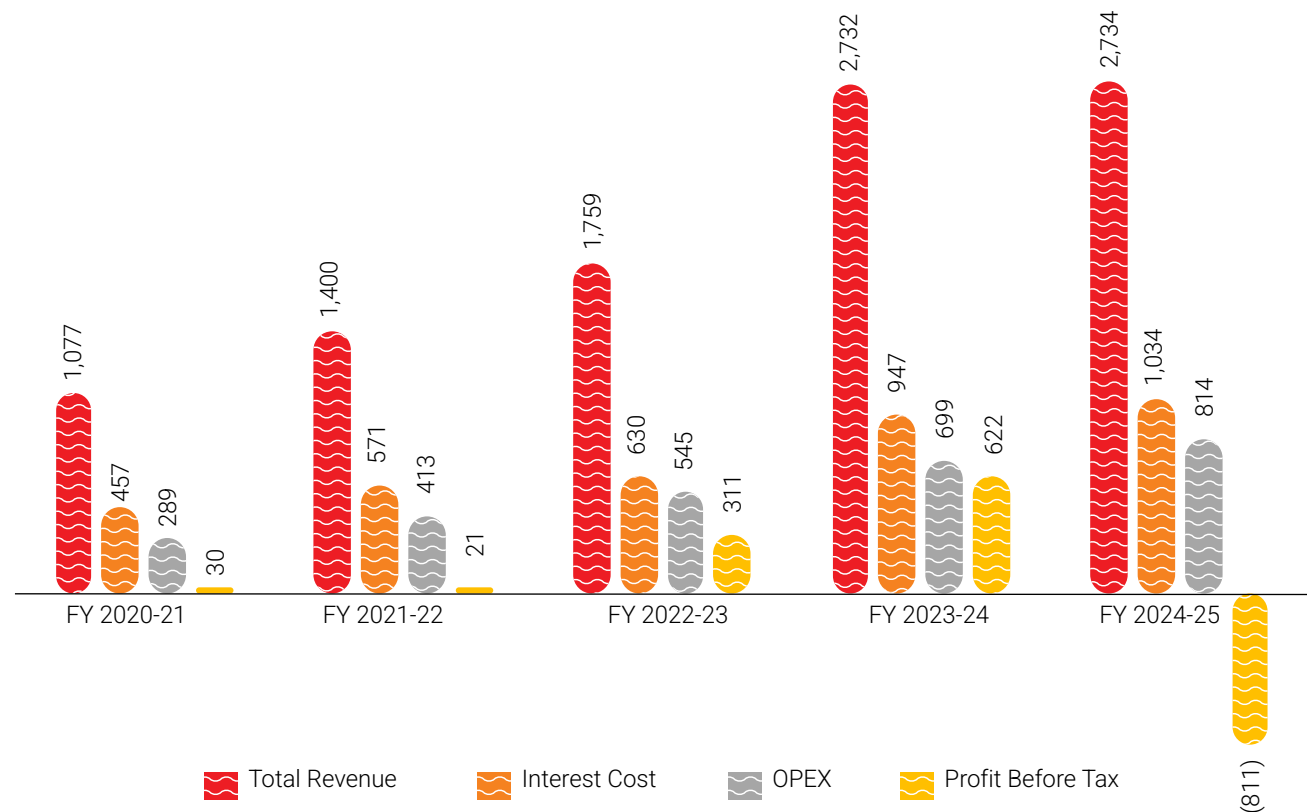
Performance Scorecard

FINANCIAL INDICATORS

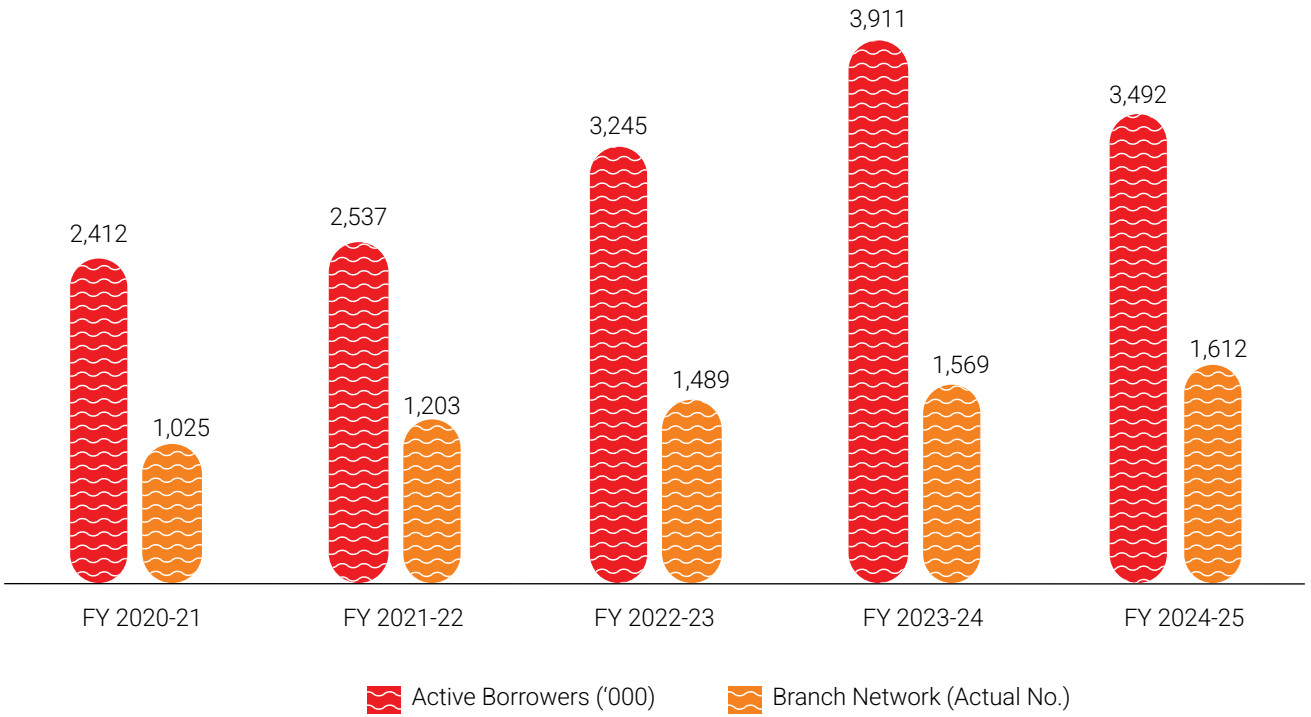
Assets Under Management & Profit After Tax (₹ Crores)



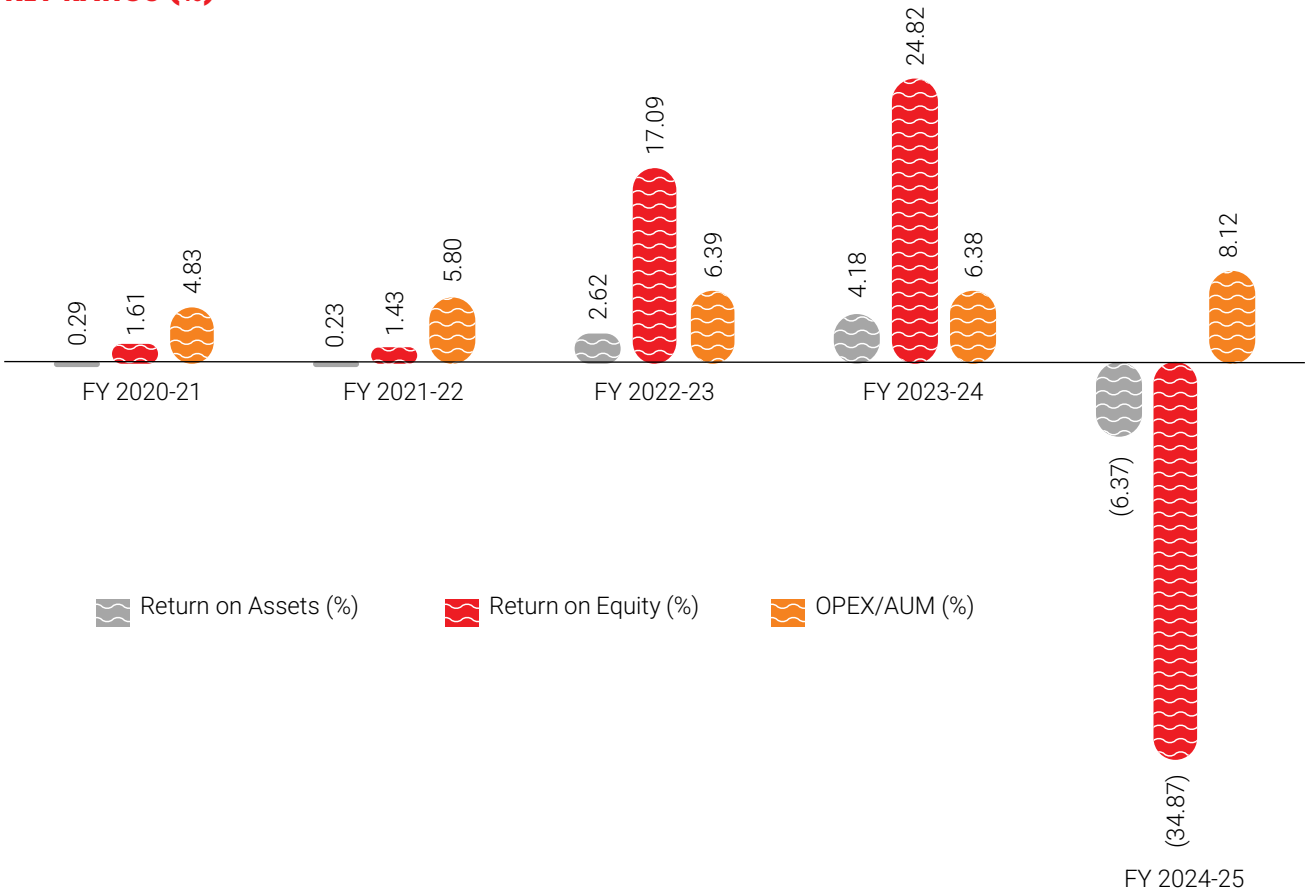
Total Revenue, Interest Cost, OPEX, Profit Before Tax (PBT) (₹ Crores)



OPERATIONAL INDICATORS (MFI)



KEY RATIOS (%)



Chairman's Message

FOSTERING INCLUSIVE GROWTH AND DEVELOPMENT



DEAR SHAREHOLDERS,

It is with immense pride and optimism that I present to you the 18th Annual Report of Asirvad Micro Finance Limited for the financial year ended March 31, 2025.

The past year has been one of political transitions and economic recalibrations across the globe. In India, the general elections concluded peacefully and decisively, resulting in the continuation of a stable government at the Centre. This democratic reaffirmation is expected to lend continuity to economic reforms and long-term policy stability, which augurs well for businesses like ours.

Globally, however, uncertainties persist. The ongoing geopolitical flashpoints — including the prolonged war in Ukraine and the volatile Middle East scenario — have kept energy prices elevated and supply chains unpredictable.

On the other hand, while many Western economies are grappling with economic fatigue, high interest rates, and sluggish consumer demand, the Indian economy remains an outlier, displaying resilience and strength. India's GDP is estimated to have grown at a commendable pace of 6.5% in FY 2024-25, supported by a robust recovery in agriculture, strong domestic demand, and an uptick in rural consumption.

It is against this dynamic and evolving backdrop that Asirvad has continued its mission of empowering women and underserved communities through responsible microfinance. I am pleased to share that your Company has not only sustained its growth momentum but has also made strategic strides in expanding its reach, enhancing risk management and reinforcing its commitment to customer-centric operations.

Asirvad's performance during the year reflected regulatory pressures and macro-level shifts. We closed FY 2024-25 with Assets Under Management (AUM) of ₹ 8,188.79 Crores, a 31.07% de-growth over the previous year. The customer base reduced to 3.64 Million from 4.05 Million recorded in the preceding year, served through a vast network of branches across the country.

ECONOMIC OVERVIEW

The International Monetary Fund (IMF), in its April 2025 World Economic Outlook, had cautioned that global growth projections could reach 2.8% in 2025, albeit with substantial divergences across regions. While the United States has started easing interest rates following signs of disinflation, several major European economies remain under stress due to weak demand and industrial stagnation. Closer to home, China is navigating a phase of structural rebalancing marked by subdued consumer sentiment and a fragile property market.

Amidst these global developments, India continues to demonstrate robust macroeconomic fundamentals. The Reserve Bank of India (RBI) has adopted a pragmatic policy approach, keeping inflation largely within the 4% (+/-2%) target band for much of the year. High-frequency indicators such as GST collections, e-way bills and rural consumption indices suggest that the Indian growth story remains firmly intact.

The normal monsoon of 2024, as predicted and realised by the Indian Meteorological Department, proved to be a vital catalyst for the rural economy. Buoyant kharif and rabi harvests contributed to improved disposable incomes, boosting rural demand and creating a favourable ecosystem for microfinance expansion.

INDUSTRY OVERVIEW AND SECTORAL REFLECTIONS

The microfinance sector, despite its proven resilience, encountered a range of formidable challenges in FY 2024-25. The year was marked by an intense heatwave, regional disruptions such as the Karnataka issue, external incitements, regulatory pressures and concerns around overleveraging — all of which placed significant stress on asset quality and liquidity access. These factors led to a contraction in funding to the sector, higher credit costs and a decline in Gross Loan Portfolio (GLP).

According to the 53rd edition of Micrometer, the quarterly report released by the Micro Finance Industry Network (MFIN) as of March 31, 2025, the industry's GLP stood at ₹ 3,75,030 Crores, reflecting a 13.5% decline year-on-year. The data also indicates a 16.9% drop in total loan disbursements and a 25.4% decline in the number of new loans sanctioned over the same period.

However, even within this subdued environment, certain segments demonstrated resilience. Notably, the portfolio of NBFCs within the microfinance space grew by 4.1% on a year-on-year basis — underscoring the importance of prudent risk management and targeted outreach strategies. At Asirvad, our disciplined underwriting and region-specific servicing strategies enabled us to stay aligned with broader sectoral shifts.

MFIN also reported that microfinance services are now operational across all 36 states and union territories, spanning 718 districts and reaching nearly 7.8 Crore unique clients. Regional concentration remains high in the East, North-East, and Southern parts of India, which together account for 62.7% of the overall industry portfolio.

Asset quality is improving steadily while MFIN's credit guardrails are proving effective across the industry. We remain confident that the sector is moving into a phase of stabilisation and renewal. Guided by regulatory prudence, industry-wide cooperation and customer-centric innovation, we are committed to continuing our mission of financial inclusion while upholding asset quality and stakeholder trust.

STRENGTHENING THE FOUNDATION: PEOPLE, PROCESS AND PARTNERSHIPS

A key theme for Asirvad in FY 2024-25 was investment in organisational capability building. We launched several new initiatives aimed at enhancing employee training, process automation, and institutional culture.

A major focus area was field force upskilling. Our employees are the face of Asirvad in thousands of villages and small towns across India. We expanded our learning and development programme with a greater emphasis on digital literacy, compliance training and customer service protocols. During the year, our employees underwent structured capacity-building programmes, including onboarding, refresher, and leadership courses.

Simultaneously, we made significant progress in technology integration. Core banking systems were upgraded for faster processing while mobile-based field applications were further improved for better monitoring and reporting. We also invested in cybersecurity enhancements, ensuring that our expanding digital footprint remains secure and compliant with regulatory expectations.

On the funding side, we strengthened partnerships with banks, development finance institutions and international impact investors. Our lender base grew both in number and diversity, helping us optimise the cost of funds and improve liquidity management. We are also grateful to our parent company, Manappuram Finance Limited, for its continued support in financial and strategic matters.

LOOKING AHEAD

As we step into FY 2025-26, the outlook appears promising, albeit with caution. The Central Government is expected to unveil growth-oriented programmes, with significant emphasis on rural development, women entrepreneurship and digital inclusion — all of which directly intersect with our mission. Climate change, however, remains an emerging risk. Irregular rainfall patterns, localised droughts or floods and temperature anomalies can affect both agricultural productivity and loan repayment cycles.

In addition, we will deepen our focus on product innovation. Our traditional group lending model has served us well, but we recognise the need to evolve with changing customer aspirations.

We are also actively enhancing our ESG (Environmental, Social, Governance) reporting framework. As a socially driven lender, we are committed to measuring our impact — not just in financial terms, but also in improving the quality of life for the communities we serve.

ACKNOWLEDGEMENTS

In closing, I wish to express my sincere gratitude to all our stakeholders for their unwavering trust and encouragement.

To the Reserve Bank of India, sectoral regulators and our lending partners, your steady guidance has helped us navigate with confidence.

To our outgoing Managing Director, Mr. B.N. Raveendra Babu, and the entire team at Asirvad, thank you for your relentless effort, dedication and performance. Your work underlines our belief that financial inclusion is both a commercial and a moral imperative.

Lastly, I thank you, our esteemed shareholders, for your continued belief in Asirvad's mission. Together, we will continue to make finance accessible, equitable and empowering for millions of underserved women and families across India.

With warm regards and best wishes,

Mr. V.P. Nandakumar

Chairman

Letter from Mr. B.N. Raveendra Babu

**MANAGING DIRECTOR UPTO
JUNE 01, 2025**



DEAR SHAREHOLDERS,

As I bid farewell to my role as Managing Director, I want to take a moment to express my heartfelt gratitude to each of you for the dedication, passion, and hard work you've shown throughout our time together. It has been a true honour to lead such an exceptional team.

The milestones we've reached, the challenges we've overcome, and the progress we've made all stand as a testament to the talent and resilience that define this company. While I step away from my position, my belief in the future of this organization remains unwavering. The path ahead is full of opportunities, and I am confident that with your continued commitment, the company will continue to thrive and achieve even greater success.

When I assumed the role of Managing Director in July 2021, Asirvad Micro Finance Limited was navigating the challenges left by the Covid-19 pandemic, adapting to the new normal within the microfinance sector. By 2023, the industry underwent a significant transformation with a paradigm shift in the regulatory landscape governing microfinance loans, which elevated the company's operations to new heights.

The year 2024 marked a pivotal period for us as we focused on driving holistic growth. However, 2025 presented its own set of challenges—both within the broader microfinance industry and specific setbacks faced by our company. Despite these unprecedented circumstances, the financial year 2025 stands as a testament to the resilience of Asirvad Micro Finance Limited.

I am deeply privileged to have had the opportunity to lead the Company during such a critical and transformative period.

As I step down from this office, I reflect with pride on the journey I've travelled. I have complete faith in the growth story of the organisation, being led by an able team of experienced professionals and the support of strong parentage. I express my gratitude to all the stakeholders for their continued support. I look forward to seeing all that the Company will accomplish in the years to come. Wishing the best to Asirvad Team.

Mr. B. N. Raveendra Babu

Managing Director (upto June 01, 2025)



CEO's Message

A YEAR OF RESILIENCE, RENEWAL AND TRANSFORMATION FOR ASIRVAD MICRO FINANCE LIMITED



DEAR SHAREHOLDERS,

It is a great honour to address you for the first time as the Chief Executive Officer of Asirvad Micro Finance Limited. I am deeply humbled by the opportunity to lead this esteemed institution at such a pivotal time.

FY 2024-25 began on a strong footing for Asirvad, reflecting robust growth and stability. Our microfinance AUM reached ₹112,359 million with a customer base of 4.03 million, at the end of Q1, FY2024-25, underscoring our team's dedication and the continued trust placed in us by our customers.

However, as the year progressed, the microfinance sector witnessed portfolio pressure due to a combination of external and regional factors. External factors such as localised natural calamities, state-level policy interventions, elections and the impact of some anti-social activities in influencing MFI customers under the loan waiver offer further impacted collections and recovery in the MFI industry. Additionally, recently issued ordinances in a few states have created repayment ambiguities among MFI customers, fostering a challenging field environment and heightening media and political sensitivities, particularly restricting collections at centre meetings and impacting borrower behaviours.

At Asirvad, we also faced such challenges. During this period, we paused our loan sanction and disbursement for more than a quarter which had an impact on the AUM, elevated PAR/NPA levels and increased operational costs. Like other industry players, Asirvad also faced an elevated field officer attrition during FY25, driven by the availability of alternative employment opportunities. High field staff turnover has disrupted the continuity of customer relationships, which are important for maintaining repayment discipline. We resumed business in January 2025 by implementing

MFIN guardrails well ahead of the timeline and have decided to grow our AUM organically. Our focus has now shifted to servicing existing customers along with new customer acquisitions in a careful manner.

Despite the challenges that came our way, we remained committed to our mission of empowering the underserved communities in India. We treated this not as a setback but as an opportunity to thoroughly review our processes and controls, addressing gaps and implementing substantial improvements in all areas of business, ensuring a strong footing for the next level of growth. These challenges are expected to impact the industry's return profile in the medium term and the normalisation to FY24 levels would be difficult due to the rising operating expense and rationalisation of lending yields.

With an aim to improve the portfolio quality and business outlook in FY 2025-26, we are strengthening our underwriting framework with e-KYC onboarding. We are also planning to introduce paperless documentation process both for loan process and internal requirements through biometric-based e-sign system that would ensure better compliance and transparency. Employee awareness on cyber risks is also being actively enhanced.

As per Industry feedback and our analysis, the present crisis of the microfinance sector may continue for a couple of quarters. We are committed to executing strategic initiatives aimed at stabilising the portfolio, improving disbursements, collection efficiencies and restoring profitability.

Importantly, through all these difficulties, we remained true to our values and responsibilities, ensuring we took care of our employees, honouring their loyalty and hard work during this period of uncertainty. Our people are the foundation of our future, and we stand by them just as they stand by us.

I would like to take this opportunity to convey my sincere appreciation to the regulatory authorities for their consistent guidance and support. Their steadfast oversight has played a vital role in helping us stay aligned with our purpose, fostering not only sustainable growth but also strengthening our ability to serve and uplift economically marginalised communities. I am equally grateful to our Honourable Chairman, Mr. V.P. Nandakumar, our esteemed Board members and our parent company, Manappuram Finance Ltd., for their unwavering commitment and strategic direction. Their enduring support, particularly during challenging periods, has been a source of strength and stability, enabling us to navigate complexity with clarity and make informed, forward-looking decisions.

We extend our heartfelt gratitude to Mr. B.N. Raveendra Babu, our outgoing Managing Director, whose visionary leadership and relentless commitment have been the backbone of Asirvad's transformation. Under his stewardship, we have not only expanded our reach but also strengthened our foundation, emerging as a more resilient and responsible organisation. We sincerely thank him for his invaluable contributions and wish him continued success in all his future endeavours.

Lastly, I extend my heartfelt thanks to our shareholders and customers. Your continued trust in our mission remains our greatest motivator. It is this collective belief that inspires us to push boundaries, innovate with purpose, and drive meaningful impact across the communities we serve.

We are more than a financial institution; we are a mission – a mission rooted in the belief that financial inclusion is not just about lending money but about transforming lives. Each loan we disburse carries the potential to empower a woman, uplift a family and strengthen an entire community. Our work goes beyond balance sheets; it touches aspirations, creates opportunities and fosters resilience where it is needed most.

With warm regards and best wishes,

Dr. Roy Varghese

Chief Executive Officer



Empowering Financial Inclusion through Digital Innovation

Committed to technology-driven operations, we made significant investments in technology during the year to strengthen systems and processes, enabling us to expand our reach across a vast borrower base, especially in rural areas. The adoption of digital tools has helped streamline borrower onboarding and loan management, simplifying the overall loan cycle - from borrower acquisition and evaluation to approval, disbursement, and repayment tracking.



STRENGTHENING DIGITAL PRESENCE FOR CASHLESS AND PAPER-FREE TRANSACTIONS

Our objective is to offer seamless, fast and secure **digitally-enabled** financial services to our borrowers. During the year, we focussed on –

- Enabling **eKYC** for quick verification, allowing us to onboard new customers in a frictionless manner
- Using **eSign** systems to reduce paperwork and ensure a smooth, paper-free process for contract signing
- Broadening the payment options available to borrowers by integrating solutions such as **UPI** and **QR code payments** for greater flexibility and ease for transactions

ONGOING INVESTMENT IN TECHNOLOGY FOR OPERATIONAL EFFICIENCY

To support sustainable growth and improve internal processes, we are making significant investments in technology to streamline operations, including onboarding, underwriting and risk management, through:

- Implementing **more accurate, automated systems** to manage increasing data volumes and improve decision-making speed and accuracy
- Upgrading our infrastructure to **cloud-based solutions** for greater scalability, quicker deployment and more reliable services
- Leveraging advanced **analytics tools**, we plan to extract insights from borrower data to drive more informed decisions, improving both operational efficiency and service delivery





STRENGTHENING DATA SECURITY INFRASTRUCTURE

Safeguarding sensitive financial information has become a top priority for us as we handle an increasing volume of data. Through a proactive cybersecurity approach, we ensure the safety of our borrower data and strengthen trust in our services by focussing on –

- Implementing end-to-end encryption to protect borrower data during transactions
- Rolling out multi-factor authentication (MFA) for added security, ensuring that only authorised individuals can access sensitive borrower information
- Continuous system monitoring with advanced security solutions to detect and respond to potential vulnerabilities in real time

MAXIMISING BORROWER RETENTION THROUGH IMPROVED CUSTOMER EXPERIENCE

We recognise that retaining borrowers with good repayment histories is key to our business success. As part of our strategy, we aim to –

- Improve borrower experience by providing real-time access to loan information, such as balances, payment due dates and loan status, via our mobile apps and online portals, enabling borrowers to stay informed and manage their payments more effectively
- Enhance customer support through automated systems, helping in the quick and efficient resolution of borrower queries, reducing wait times and elevating satisfaction



ENHANCING GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

As we scale, we continue to maintain strong governance and compliance frameworks, in line with industry regulations, through key measures:

- Adopting RegTech solutions to automate and monitor regulatory compliance, minimising human error and oversight while staying updated with evolving regulations, ensuring that we meet all necessary legal requirements in real-time
- Improving internal governance processes by digitalising board meetings, enabling automated meeting scheduling, document management and decision-making, reducing administrative overhead and enhancing operational transparency
- Enhancing risk management practices by using data-driven tools to assess and mitigate potential financial risks, ensuring more informed decision-making



STREAMLINING LOAN DISBURSEMENT AND BORROWER COMMUNICATION

We are also enhancing our borrower experience by streamlining our payment systems for faster and more efficient loan disbursements, by –

- Leveraging payment solutions such as UPI and NEFT to facilitate quicker transfers and timely fund transfer with borrowers
- Strengthening communication by launching multi-channel systems – SMS, email, and instant messaging platforms like WhatsApp to notify borrowers about important updates, such as loan status, payment reminders and upcoming due dates, ensuring they are always informed
- Enhancing our self-service portals to give borrowers more control over their loan management, enabling them to track progress, adjust repayment plans or make prepayments at their convenience



We are poised for another year of growth and transformation through digital innovation, driving improved operational efficiency and enhancing the borrower experience. Through investments in cloud infrastructure, enhanced cybersecurity and data-driven decision-making, we are

building a more resilient and efficient organisation. Our focus on improving customer engagement, loan disbursement, and risk mitigation will ensure that we continue to meet the needs of our borrowers while positioning ourselves for sustained growth in the years ahead.

As our operations expand, we are committed to advancing our **underwriting** and **risk management** processes for greater precision and efficiency. We aim to optimise our **cloud-based infrastructure** to support the growing demands of new markets, enabling faster service delivery and greater scalability. **Data security** will remain a top priority as we work to strengthen our defences against evolving threats. Through data collection, automation, and customer satisfaction, we plan to deliver the best possible experience for our borrowers while driving long-term growth.

WAY AHEAD



₹ 527 Crores

Digital Collection in FY 2024-25

Cyber Security



1

ISO/IEC 27001:2022 certified Information Security Management System (ISMS) implemented and maintained.

2

Regular VAPT conducted across applications and networks; critical vulnerabilities remediated with structured closure cycles.

3

24x7 Security Operations Centre (SOC) in place, integrated with SIEM for real-time threat monitoring and response.

4

Strong endpoint security and centralised patch management across all critical systems.

5

Cybersecurity awareness, phishing simulations, and department-specific training conducted regularly.

6

Email security strengthened through SPF, DKIM, DMARC, and advanced anti-phishing controls.

7

Cloud and third-party security assessments conducted, ensuring secure configurations and compliance.

8

Robust policy framework including Cybersecurity, ISMS, and Data Privacy (aligned with DPDPA) implemented and enforced.

9

Cybersecurity governance led by a certified CISO with a skilled InfoSec team driving continuous improvement and innovation.

Powering Growth with a Talented Workforce

As an employee-friendly organisation, we believe in creating a conducive work environment for our employees to thrive and contribute to our broader vision of financial inclusion. Through focussed initiatives, we help our employees to optimise their potential while supporting their overall well-being, fostering shared progress.

17,506

Employees

9,506

New Employees onboarded in FY 2024-25



Accelerating Impact with ESG at the Core

Focussed on sustainable growth, we have embedded ESG into every aspect of our operations, driving responsible lending for uplifting communities and supporting nationwide economic development. By aligning our goals with robust governance and ethical practices, we aim to create a lasting positive impact while protecting the environment and promoting inclusive growth.

At Asirvad, responsible financing is a key priority, with sustainability at the core of our vision to create long-term value for our stakeholders. With a customer-centric business model and diverse products that support the entire life cycle needs of our customers, we are driving large scale positive social impact across the communities, including customers, employees and other stakeholders.

We actively promote sustainable practices across our business that enhance business performance, brand success and overall reputation. Our business strategy and policies are anchored on customer and employee centricity, driving sustainable growth and empowering communities in the long term.

We have implemented an ESG framework aligned with our vision to build an enduring institution that serves the long-term needs of our customers with great sensitivity.

- **Environmental:** Reducing our carbon footprint and minimising environmental impact
- **Social:** Promoting fair labour practices, diversity and community involvement
- **Governance:** Upholding robust corporate governance policies, such as executive compensation, shareholder rights and board structure

The ESG framework serves as a strategic guide to incorporate Environmental, Social and Governance (ESG) considerations into operations and business, mitigate the impact of material risk and guide ESG initiatives undertaken at Asirvad. Our progress in environmental sustainability, employee empowerment, customer satisfaction and community development underscores our commitment to responsible business practices.

As we advance, we stay focussed on continuous improvement, setting higher targets and strengthening our impact across environment, social and governance aspects.

Environmental

At Asirvad, we prioritise environmental sustainability and compliance with regulations. We have implemented

energy-efficient lighting and air-conditioning systems, raising awareness among employees about energy conservation. By leveraging technology, we have reduced paper usage and emissions from travel and enhanced operational efficiency.

Social

Over the years, we have consistently worked towards the economic and social upliftment of the marginalised and vulnerable sections of society, creating an overall positive impact on society and the environment in our area of operations. At Asirvad, our CSR initiatives are primarily routed through Manappuram Foundation.

Leveraging our talent management strategy and the MADU online learning platform, we offer extensive learning and development opportunities to drive continuous growth and professional development. We also prioritise upskilling and reskilling of our employees through training and resources to enhance their skills and expertise.

Additionally, we ensure our working conditions meet (or exceed) the international labour standards. By recognising



that the safety and health of workers enhance productivity along with economic and social development, we strive to be one of the best workplaces for employees.

Human Rights

We are committed to upholding employee rights while treating all employees with respect and dignity, fostering a healthy and conducive work environment. Our human rights policy promotes equity, diversity and inclusion within the organisation, non-discrimination, prevention of human rights violations across the entire value chain and adequate training/ awareness on human rights.

We are committed to respecting all employee rights and providing a work environment that's free from any physical, verbal or psychological harm. Our policies and systems have been designed to prevent and address such instances, in case they arise. Additionally, the policies and systems ensure that employment decisions are based on merit and business needs, with equal opportunities provided for growth, benefits and compensation to each employee.

Governance

Strong corporate governance practice is essential for sustainable growth and maintaining long-term relationships with stakeholders. At Asirvad, we implement the highest

level of corporate governance practices, prioritising integrity, full transparency and accountability in all transactions, to protect our stakeholders interests. This enables us to attract high quality financial and human capital while ensuring that all our stakeholders, including shareholders, customers, employees, creditors and regulators, are aligned with our Company's objectives.

We believe that the best governance practices begin with a well-composed board. The synergy of our board comprising versatile individuals with diversified skillsets significantly contributed to our success. Our strong, professionally balanced Board upholds robust ethical practices, strict internal controls and effective management to ensure the highest standards of corporate governance. Our Board of Directors also represent the interests of shareholders in driving a successful business and generating consistent long-term financial returns in line with applicable regulatory and legal requirements and ethical considerations.

Fostering a culture of compliance, we have implemented strong internal control mechanisms, overseen by our experienced and diversified Board. Risk management is another key focus, wherein we proactively identify, assess and mitigate risks to safeguard our interests. We also prioritise customer protection while ensuring fair and transparent dealings to enhance customer satisfaction and trust.



Corporate Social Responsibility

The goal of Asirvad's Corporate Social Responsibility is to uplift society by enhancing the well-being of individuals, their families and the larger community.

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

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

Key FY 2024-25 CSR Initiatives

Provided support to physically challenged people through Dream Runners Foundation, Chennai



As part of the “Manappuram Harmony Tribal Beats project”, we donated property to the Santhi Medical Information Centre, Attapadi.



Donated school equipment to Panchayath Union Primary School, VEDIYARASAMPALYAM, Pallipalayam, Tamil Nadu



16
Bureaus

38
Desks

38
Benches
& Printer

Board of Directors



Mr. V. P. Nandakumar

Chairman

Vazhappully Padmanabhan Nandakumar is the Chairman and Non-Executive and Non-Independent Director of our Company. He holds a bachelor's and a master's degrees in science from University of Calicut, India. He is currently the managing director and chief executive officer of our Promoter, MAFIL. He is on the board of governors of IIM Kozhikode and has previously served on the board of directors of several companies including Lions Co-ordination Committee of India Association, Aptus Value Housing Finance India Limited, Equitas Holdings Limited and Five Star Business Finance Limited.



Mr. Abhijit Sen

Non-Executive, Independent Director

Abhijit Sen is an Independent Director of our Company. He holds a bachelor's degree in technology with first class honours in electronics and electrical communication engineering from Indian Institute of Technology, Kharagpur, India and a post graduate diploma in management from Indian Institute of Management, Calcutta, India. He has previously worked with Citibank N.A., India as the managing director – chief financial officer and has served on the board of directors of several companies including Citicorp Finance (India) Limited, Citicorp Services India Private Limited, IDFC First Bank Limited, IndiaFirst Life Insurance Company Limited, WIPRO Technology Services Limited.



Ms. Anita Belani

Non-Executive, Independent Director

Anita Belani is an Independent Director of our Company. She holds a diploma (honours) in personnel management and industrial relations from Xavier Labour Relations Institute, Jamshedpur, India. She has previously served as the chief people officer at Gaja Advisors Private Limited and has served on the board of directors of several companies including Bandhan AMC Limited, SV Edusports Private Limited, BMR Business Solutions Private Limited, and Manpower Group Services India Private Limited.



Mr. D R Dogra

Non-Executive, Independent Director

Desh Raj Dogra is an Independent Director of our Company. He holds a bachelor's degree in science from Himachal Pradesh University, India, a master's degree in business administration from University of Delhi, India and a post graduate diploma in marketing and sales management from Board of Technical Education, Delhi, India. He is a certified associate of the Indian Institute of Bankers. He has previously worked as the managing director and chief executive officer of Credit Analysis and Research Limited and has served on the board of directors of several companies including Axiscades Aerospace & Technologies Private Limited, L&T Financial Consultants Limited, ITI Mutual Fund Trustee Private Limited, and Metropolitan Stock Exchange of India Limited.



Mr. Gautam Saigal

Non-Executive, Non-Independent Director

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



Mr. Harshan Kollara

Non-Executive, Independent Director

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



Ms. Pushya Sitaraman

Non-Executive, Independent Director

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



Mr. S V Raja Vaidyanathan

Non-Executive, Non-Independent Director

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



Mr. S. K. Mitra

Non-Executive, Independent Director

Subrata Kumar Atindra Mitra is an Independent Director of our Company. He holds a master's degree in science from University of Calcutta, India and a master's degree in management science from Texas Christian University, USA. He has previously worked with the 'merchant banking' division of Standard Chartered Bank, India and as a non-executive member of the credit committee of the FirstRand Bank, India. He was previously associated with the financial services business at the Aditya Birla Group and Bank of India. He has served as the director-in-charge of vocational service avenue of service of the Rotary Club of Bombay and has previously served on the board of directors of several companies including GIC Asset Management Company Limited, The Indo American Chamber of Commerce, Aditya Birla Nuvo Limited, Spykar Lifestyles Private Limited, Aditya Birla Sun Life AMC Limited, LIC Mutual Fund Asset Management Limited, QSK Advisory Private Limited.



Mr. T Balakrishnan

Non-Executive, Independent Director

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

Corporate Information

COMPANY

Asirvad Micro Finance Limited

CORPORATE IDENTIFICATION NUMBER

U65923TN2007PLC064550

REGISTERED OFFICE

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

CHIEF EXECUTIVE OFFICER

Dr. Roy Varghese

CHIEF FINANCIAL OFFICER

Mr. Rajesh KRN Namboodiripad

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Aparna Menon
 Email: sec@asirvad.in
 Phone No: +91 9345960647

STATUTORY AUDITORS

A. John Moris & Co.,
 Chartered Accountants
 No.5, Lakshmipuram 1st Street,
 Deivasigamani Road (Near Music Academy), Royapettah,
 Chennai – 600014

SECRETARIAL AUDITORS

KSR & Co., Company Secretaries LLP

Indus Chambers, Ground Floor
 No.101, Govt. Arts College Rd
 Coimbatore – 641 018

REGISTRARS & TRANSFER AGENTS

MUFG Link Intime India Private Limited

"Surya" 35, Mayflower Avenue,
 Behind Senthil Nagar,
 Sowripalayam Road, Coimbatore –
 641028, Tamil Nadu, India
 Tel: +91 422 2314792/5792, 4958995, 2539835/ 836
 E-mail: coimbatore@in.mpms.mufg.com
 Investor grievance e-mail: coimbatore@linkintime.co.in
 Website: https://www.in.mpms.mufg.com
 Contact Person: S Dhanalakshmi
 SEBI registration no: INR000004058

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited

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

IDBI Trusteeship Services Limited

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

LIST OF LENDERS

FII

WorldBusiness Capital, INC.

Foreign Banks

Bank of Bahrian and Kuwait
 CTBC Bank
 DBS Bank
 HSBC Bank
 SBM Bank
 Standard Chartered Bank
 Woori Bank

NBFC

A K Capital
 Aditya Birla Finance Ltd
 Bajaj Finance Ltd
 Equirus Securities Private Limited
 Hinduja Leyland Finance
 Manappuram Finance Limited
 Nabkisan Finance Ltd
 Northern Arc Capital Limited
 Vivriti Asset Management

Private Bank

Axis Bank
 Bandhan Bank Limited
 Catholic Syrian Bank
 Citibank
 City Union Bank
 DCB Bank
 Federal Bank
 HDFC Bank
 ICICI Bank
 IDBI Bank
 IDFC First Bank
 Karnataka Bank
 Kotak Mahindra Bank
 RBL Bank Ltd
 South Indian Bank
 Yes Bank Ltd.

PSU Bank

State Bank of India
 Odisha Gramya Bank
 Canara Bank
 Bank of Baroda
 Bank of India
 Bank of Maharashtra
 Indian Bank
 Indian Overseas Bank
 Punjab National Bank
 UCO Bank

Financial Institutions

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

BOARD AND ITS COMMITTEES**Board of Directors**

Mr. V P Nandakumar
Chairman
Mr. Abhijit Sen
Non-Executive, Independent Director
Ms. Anita Belani
Non-Executive, Independent Director
Mr. D R Dogra
Non-Executive, Independent Director
Mr. Gautam Saigal
Non-Executive,
Non-Independent Director
Mr. Harshan Kollara
Non-Executive, Independent Director
Ms. Pushya Sitaraman
Non-Executive, Independent Director
Mr. S K Mitra
Non-Executive, Independent Director
Mr. S V Raja Vaidyanathan
Non-Executive,
Non-Independent Director
Mr. T Balakrishnan
Non-Executive, Independent Director

Audit Committee

Mr. D R Dogra
Chairman
Mr. Abhijit Sen
Member
Mr. Gautam Saigal
Member
Mr. Harshan Kollara
Member
Mr. S V Raja Vaidyanathan
Member
Mr. T Balakrishnan
Member

Nomination and Remuneration Committee

Mr. T Balakrishnan
Chairman
Ms. Anita Belani
Member
Mr. Gautam Saigal
Member
Mr. Harshan Kollara
Member
Ms. Pushya Sitaraman
Member

Risk Management Committee

Mr. Gautam Saigal
Chairman
Mr. Abhijit Sen
Member
Ms. Anita Belani
Member
Mr. D R Dogra
Member
Mr. S V Raja Vaidyanathan
Member
Chief Risk Officer
Permanent Invitee

Corporate Social Responsibility Committee

Ms. Pushya Sitaraman
Chairperson
Mr. D R Dogra
Member
Mr. T Balakrishnan
Member

Stakeholders Relationship and Customer Service Committee

Mr. Harshan Kollara
Chairman
Ms. Pushya Sitaraman
Member
Mr. S K Mitra
Member

Management Committee

Mr. V P Nandakumar
Chairman
Mr. Abhijit Sen
Member
Mr. D R Dogra
Member
Mr. Gautam Saigal
Member
Mr. Harshan Kollara
Member
Mr. S V Raja Vaidyanathan
Member

Borrowing and Securities Allotment Committee

Mr. S V Raja Vaidyanathan
Chairman
Mr. T Balakrishnan
Member
Mr. V P Nandakumar
Member

IT Strategy Committee

Mr. S K Mitra
Chairman
Mr. Abhijit Sen
Member
Mr. S V Raja Vaidyanathan
Member
Chief Technology Officer
Permanent Invitee

Management Discussion Analysis

Indian Economy- An overview¹

India's steady growth amid global shifts

India's economy continues to show robust growth, largely driven by the expansion of the manufacturing sector, the strength of the service sector and policy reforms, all contributing to maintaining this momentum. The Government of India (GoI) allocated USD 134.5 Billion for capital expenditure (capex) in the FY 2025-26 union budget, underscoring its dedication to infrastructure-led growth. Despite recent announcements on reciprocal tariff by the U.S. on imports, India's real GDP is projected to experience a steady growth of 6.2% and 6.3%, respectively in FY 2024-25 and FY 2025-26. The fiscal deficit is expected to decrease in FY 2025-26 due to increasing tax revenue.

India's export ecosystem is being strengthened by strategic policies, increased competitiveness and wider market access, leading to greater integration into the global economy and resilience. The growth of India's merchandise exports in FY 2024-25 is attributed to double-digit growth in exports of coffee, tobacco, electronic goods and rice among other categories. The FY 2025-26 union budget announced the Export Promotion Mission, a proposed USD 266.6 Million initiative to enhance exports, especially for micro, small and medium enterprises (MSMEs), by offering financial incentives, market access support and compliance facilitation. By 2030, India's combined merchandise and service exports are expected to hit a USD 2 Trillion milestone.

One of the catalysts for India's economic growth is the start-up ecosystem. 75,935 startups have at least one-woman director, highlighting the growth of women entrepreneurs. More than 51% startups are emerging from tier II and III cities. 100+ unicorns are spearheading innovation and fostering opportunities across sectors.

Indian Economy: The way forward

India's quest for self-reliance: The Atmanirbhar Bharat initiative, complemented by the objective of Viksit Bharat 2047, sets a path for India to become a self-reliant, innovation-driven global entity, with a substantial decrease in import dependence. It aims to cultivate equitable prosperity, guaranteeing a balanced distribution of wealth among citizens.

Leverage AI for economic growth: India is advancing its AI ambitions through increased investments, PPPs and significant funding in digital infrastructure and deeptech to transform economy. GoI's AI mission aims to make India a global leader, revolutionising sectors, such as healthcare, education and e-governance.

Accelerate the transition to renewable energy: India is targeting emission reduction, forest cover enhancement, non-fossil fuel energy increase and green finance attraction. The country is diversifying its energy sources, restructuring power sector and focusing on digital and sustainable practices in the industrial sector.

Skill development to empower workforce: India is strengthening its young population with future-oriented skill development programmes, leveraging technology and fostering partnerships. The country is actively focusing on boosting workforce adaptability, while promoting women's involvement and industry-academia collaboration.

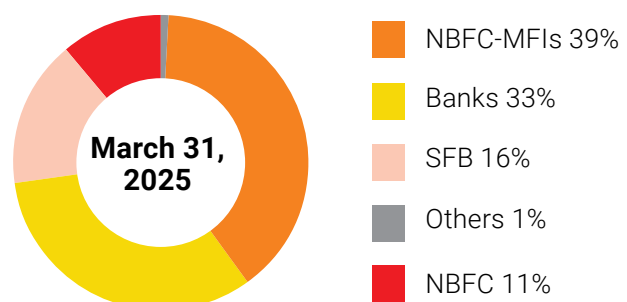
Government's efforts at financial inclusion

Financial Inclusion is an important priority of the Government. The objective of Financial Inclusion is to extend financial services to the large hitherto un-served population of the country to unlock its growth potential. Various Government initiated projects such as Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY), Pradhan Mantri MUDRA Yojana (PMMY), Stand Up India Scheme (SUPI) etc. aims at banking services, insurance services, for every unbanked household, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving un-served and under-served areas.

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK²

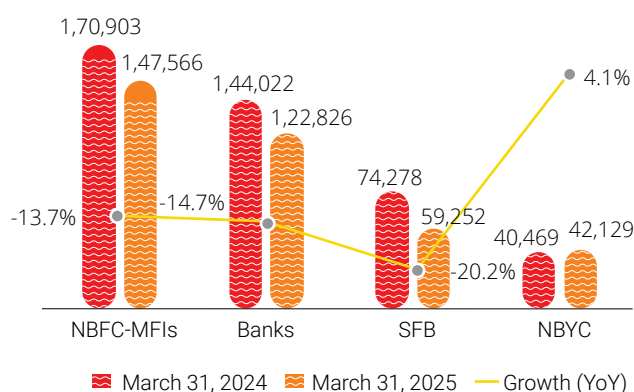
As on March 31, 2025, NBFC-MFIs are the largest provider of micro-credit with a loan amount outstanding of ₹ 1,47,566 Crores, accounting for 39.3% to total industry portfolio. Banks hold the second-largest share of portfolio in micro-credit with total loan outstanding of ₹ 1,22,826 Crores, which is 32.8% of total micro-credit universe. SFBs have a total loan amount outstanding of ₹ 59,252 Crores with total share of 15.8%. NBFCs account for another 11.2% and Other MFIs account for 0.9% of the universe.

Micro-credit loan outstanding across lenders



¹Source-KPMG- Decoding Indian economy- May 2025

Portfolio outstanding of the microfinance industry (₹ Crores)

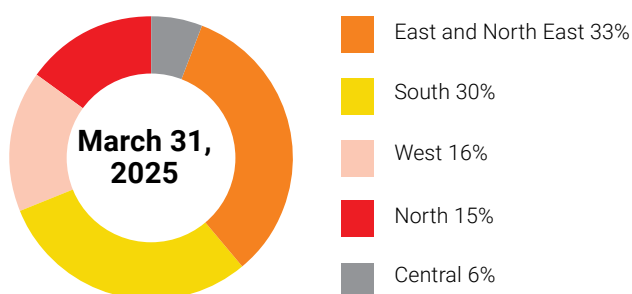


Regional distribution

As on March 31, 2025, the industry serves 7.8 Crores unique borrowers through 13.3 Crores loan accounts. The regional spread is depicted in the pie-chart below which shows that East and North-East continue to have the largest share of portfolio closely followed by South.

As on March 31, 2025, microfinance operations are present in 718 districts across 29 states and 7 union territories (UTs).

Regional distribution of portfolio



The Top 10 states (based on universe data) constitute 83.7% in terms of GLP. Bihar continues to be the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh. Among Top 10 states, Tamil Nadu has the highest average loan outstanding per account of ₹ 31,131 followed by West Bengal at ₹ 30,488.

NBFC-MFIs

As on March 31, 2025, the portfolio of NBFC-MFIs was ₹ 1,47,566 Crore, spread across 709 districts of 36 states and union territories. Overall health of portfolio (PAR 31-180 days) has deteriorated to 6.6% as on March 31, 2025 in comparison to 2.0% as on March 31, 2024.

Some highlights and challenges faced by NBFC-MFI's during financial year 2025 are as under:

- As on March 31, 2025, 4.2 Crore clients have loan outstanding from NBFC-MFIs, which is 9.2% lower than number of clients as on March 31, 2024
- AUM decreased by 11.9% compared to March 31, 2024 and decreased by 2.4% compared to December 31, 2024
- Loan amount of ₹ 1,12,459 Crore was disbursed in FY 2024-25 through 2.2 Crore accounts, including disbursement of Owned as well as Managed portfolio. This is 25.4% lower than the amount disbursed in FY 2023-24
- Average loan amount disbursed per account during FY 2024-25 was ₹ 50,131 which has increased by around 12.3% in comparison to last financial year
- As on March 31, 2025, the borrowings O/s were ₹ 1,02,503 Crores. Banks contributed 58.3% of borrowings O/s followed by 18.0% from Non-Bank entity, 10.3% from External Commercial Borrowings (ECB), 9.1% from AIFIs and 4.4% from other sources
- During FY 2024-25, NBFC-MFIs received a total of ₹ 57,307 Crores in debt funding, a 35.7% decrease from FY 2023-24. Banks contributed 78.4% of the total Borrowing received followed by Non-Bank entities 11.9%, ECB 5.1%, AIFIs 3.1% and Others 1.5%
- Total equity decreased by 1.8% as compared to end of FY 2023-24 and is at ₹ 35,759 Crores as on March 31, 2025
- Portfolio at Risk PAR 31-180 days as on March 31, 2025 has deteriorated to 6.2% as compared to 2.0% as on March 31, 2024
- MFIs have presence in 26 states and 6 union territories
- In terms of regional distribution of portfolio (AUM), East and North-East accounts for 33% of the total NBFC-MFI portfolio, South 28%, North 17%, West 14%, and Central contributes 9%

As on March 31, 2025, aggregated NBFC-MFIs had a degrowth of 11.9% in comparison to March 31, 2024 and decreased by 2.4% compared to 31 December 2024.

As on March 31, 2025, NBFC-MFIs on aggregated basis have a network of 24,523 branches and employee base of 2,30,547 staff, of which 63.4% are loan officers (1,46,181). There has been growth of 15.8% in employees, 12.9% in loan officers and 13.4% in branches compared with March 31, 2024.

Compared with March 31, 2024, there has been YoY decrease of 9.2% in clients and 5.8% in loan accounts.

Average loan outstanding per account as on March 31, 2025 is ₹ 27,982 which has decreased by 6.5% as compared to ₹ 29,928 as on March 31, 2024.

During FY 2024-25, MFIs disbursed 2.2 Crore loans worth ₹ 1,12,459 Crore. Compared with FY 2023-24, there has been

² Issue 53 Micrometer- Data as on March 31, 2025

a YoY decrease of 33.5% in number of loans disbursed and 25.4% in loan amount disbursed.

Based on above statistics, it is clear that the Financial Year 2025 has been very challenging for the MFI industry witnessing decline in client base and loan accounts, de-growth in portfolio size, rising credit risk, sharp fall in disbursements, reduced borrowings and funding access, decrease in average loan outstanding all leading to the inevitable equity erosion.

India's microfinance sector is experiencing a severe crisis attributed to:³

- **Weak Underwriting and Overleveraging:** Many borrowers have loans from multiple lenders.
- **Collapse of the JLG Model:** The traditional joint liability group (JLG) model, which relied on peer pressure for repayments, is weakening, especially in urban areas where social ties are weaker
- **Post-Pandemic Rural Stress:** Declines in rural incomes have impaired repayment capacity
- **Regulatory and Political Interventions:** State-level regulations in Tamil Nadu and Karnataka, aimed at curbing coercive recovery, have disrupted collections and emboldened defaults
- **Borrower Indebtedness:** Rising debt burdens and overlapping loans with retail products have led to higher defaults

Several measures including restrictions put in by the Self-regulatory organisations, while aimed at promoting responsible lending, have led to increased borrower rejection rates and a slowdown in disbursements.

Discussion on financial performance with respect to operational performance

Asirvad Micro Finance Limited, like other players in the MFI industry, faced de-growth in portfolio size, rising credit risk and sharp fall in disbursements. During the Financial year 2025, the Company also faced other sector-specific challenges including natural calamities, shifts in socio-political and regulatory landscape. Extreme weather events such as heavy rainfall, floods, and cyclones severely impacted borrowers livelihoods, leading to reduced savings and an increase in loan defaults, which in turn affected the Company's operations. The Company also faced an unexpected "cease and desist" order by the Reserve Bank of India. While the management strived to remedy the compliance lapses pointed out by the regulator, the stoppage of disbursements consequent to the order lasted about a quarter and has resulted in severe setbacks for the Company.

Financial Highlights of the company is as below:

³Microfinance Sector in India- Brickworks May 2025

(₹ In Crores)

Particulars	FY 2025	FY 2024
Assets Under Management	8,188.79	11,880.54
Total Income (in Crores)	2,734.39	2,731.94
Profit /Loss After Tax (in Crores)	-638.72	458.30
Net worth (in Crores)	1,514.76	2,149.10
CRAR (%)	20.93%	22.79%
Gross NPA (%)	8.54%	3.75%
Net NPA (%)	2.46%	1.71%

FY 2024-25 was a challenging year, marked by a contraction in AUM, erosion in profitability, and deterioration in asset quality. While income levels held steady, the overall financial position weakened considerably due to increased credit stress and operational headwinds. The Company is focusing on improved credit quality, recovery strategies, and capital strengthening to regain financial stability and growth momentum in the coming periods.

Micro Finance Loans

As on March 31, 2025, Asirvad Micro Finance Limited had ₹ 7,206.65 Crores AUM, standalone Micro Finance branches 1,243. Micro Finance business is also done through 369 branches also doing Gold Loan and MSME loans.

As on March 31, 2025, the Company operated across 22 States and 3 Union Territories with a presence in 438 districts, with client base of 3.49 Million spread across over 1,612 branches in the field.

Asirvad Micro Finance Limited continuously invests in upgradation of its technology to serve its clients faster and has digitised its operations to reduce paperwork and TAT to customers.

Asirvad Micro Finance Limited continued to achieve business volumes through its multi-state operations. It has disbursed ₹ 4,583.31 Crores to 8,02,324 clients during the year. AUM stood at ₹ 7,206.65 Crores as on March 31, 2025.

MSME Loans

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

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

As on March 31, 2025, total branches stood at 27 (including co-located branches), customer base at 3,209 and AUM at ₹ 53.76 Crores.

Loans against Gold

We commenced our Loan against Gold business in Fiscal 2021 in order to build our secured portfolio, to balance the unsecured nature of our microfinance loan portfolio. In our Loan against Gold portfolio, gold ornaments are pledged as collateral against the loan availed.

As on March 31, 2025, total branches stood at 520, customer base at 1,40,841 and AUM at ₹ 928.38 Crores.

Resource Mobilisation & Treasury Operations

The funding for the business is from an optimum mix of equity and debt. The company continues to follow the policy of diversification of funding sources. The Company has existing relationship with more than 45 lenders across Banks, Financial Institutions, NBFCs and Overseas FII investors and ₹ 4,720.46 Crores has been availed during year ending March 31, 2025.

The Funding mix of the company as on March 31, 2025, is given below:

Term Loan	80.94%
Non-convertible Debentures	8.71%
Securitization	10.35%
Total	100%

Opportunities

Growing market size

The target market for MFI loans continues to rise in view of growing population and increasing participation from semi and rural segments, we expect India will continue to be a major opportunity market from a demand perspective.

Favourable demographics

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

Urbanisation on the rise

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

In the background of such opportunities, the Company envisages to act as an active catalyst of growth of the economy, by financing the most vulnerable strata.

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

RISK MANAGEMENT

Risk management is integral to our business and as a lending institution, we face financial and non-financial risks. We have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk-related matters, as part of our risk management process. We have a separate Enterprise Risk Management policy covering all the attendant risks facing the company in its operations.

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

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

Credit Risk

Credit risk is the risk of financial loss to our Company if a borrower or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan receivables from borrowers. Our business of providing microfinance loans to women borrowers for income generating activities requires a high level of credit risk management. We seek to ensure efficient and uniform appraisal, disbursement, collection and delinquency management, by developing streamlined approval and administrative procedures. We have a clearly defined appraisal policy which ensures that borrowers are sanctioned loans only after evaluating household income, obligation, fixed obligations to income ratio and completing detailed cash flows analysis. We undertake pre-credit review through field checks, credit bureau check and use technology and automation to establish creditworthiness, repayment capacity assessment and cash flow analysis. In addition, we

have enabled cashless disbursements to limit risk of fraud and ensure end user verification. Our collections process has been similarly digitized and we use mobile applications and payment services for online collections. We also have message confirmations of collections and real-time status updates for loan status. We have clear delegation of powers in place, with a clear risk rating framework for profiling borrowers.

Concentration Risk

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

Operational Risk

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

Asset-Liability Management Risk

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

Reputation Risk

We recognize reputational risk as one of the major risks facing the industry and believe that it can be mitigated through responsible lending, maintaining discipline, client engagement and consistently following the fundamentals of microfinance. We have a robust grievance redressal mechanism. We have implemented customer service help lines for our borrowers as part of our comprehensive monitoring processes. Borrower complaints are reviewed, investigated and sought to be resolved within a prescribed

timeframe depending on the nature of the complaint and are subsequently reported to the Board of our Company for review and any necessary guidance on our customer service quality. We also carefully calibrate our growth strategy to ensure we meet requirements of our members and also address concerns of various stakeholders. Further, we engage with our borrowers and the communities we serve through financial literacy and awareness programs.

Legal Risk

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

INTERNAL AUDIT & CONTROLS

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

The scope of annual internal audit is finalised by the management and approved by our Audit Committee. While our internal audit is conducted based on our risk-based audit plan, we classify our branches based on risk profile. For other functions, based on the risk perception, the areas which need to be audited and which require more attention are determined. We determine a risk matrix after assessing inherent business risk and control risk.

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

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

The internal audit activity is conducted with systematic accountability for confidentiality and safeguarding records

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

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

HUMAN RESOURCES

We recognize that committed and capable employees are fundamental to an organization's long-term success. Accordingly, we place strong emphasis on fostering employee motivation, career development, and retention. Our hiring process is stringent across all levels, with thorough background verification of all onboarded employees. Once onboarded, we prioritize internal career progression through a structured appraisal and promotion framework, encouraging growth from within rather than relying on lateral hires. All field-level employees begin at the entry level and advance through clearly defined performance-based pathways. This approach not only drives productivity and retention but also ensures employees develop a deep alignment with the values and culture of the organization. Our compensation and benefits packages are designed to remain competitive within the microfinance industry and are closely tied to both qualitative and quantitative performance

metrics. Through a goal-driven culture and robust incentive programs, we have cultivated a motivated workforce that focuses on delivering superior customer service, building lasting client relationships, improving profitability, and enhancing operational efficiency.

To reinforce employee performance and identify areas for improvement, we have established a structured review and feedback system. Performance-based incentives are aligned with individual evaluations and prevailing market dynamics. We maintain a positive and collaborative work environment and have not encountered any major employee relations issues.

At the entry level, we give preference to hiring Field Development Assistants from local communities, supporting grassroots employment and ensuring familiarity with the operational terrain. These recruits undergo in-depth in-house training tailored to their assigned geographies. Other field-level roles are filled through internal transfers, job rotations, and promotions, thereby offering career mobility while enhancing organizational capability. This approach contributes meaningfully to rural employment and economic inclusion in the regions we serve. Comprehensive induction programs, delivered both in person and online, cover our policies, operational processes, sector-specific regulatory frameworks, and essential soft skills requirements.

As of March 31, 2025, our total workforce strength stood at 17,506 across India.

Training and Development

We are committed to continuous learning and capability building through engaging e-learning solutions. Our digital learning ecosystem, accessible to all employees via MADU, includes a vast digital library of books, study materials, interactive video tutorials, and learning sessions. Additionally, we provide opportunities for higher education and professional development, enabling employees to enhance their skills and assume greater responsibilities within the organization.

Board's Report

Dear Members,

Your Board of Directors have immense pleasure in presenting the 18th Annual Report of Asirvad Micro Finance Limited ("Company"), together with the Audited Financial Statements for the year ended March 31, 2025.

FINANCIAL HIGHLIGHTS AND STATE OF AFFAIRS

(₹ In Crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gross Income	2,734.39	2,731.94
Total	3,545.40	2,110.31
Profit/Loss before Tax	-811.01	621.63
Tax Expenses net of Deferred tax	-172.29	163.33
Profit/Loss after Tax	-638.72	458.30
Appropriations		
Transfer to Statutory Reserve	-	91.66
Surplus in Profit & Loss	258.24	896.95

During the financial year ended March 31, 2025, your Company recorded a turnover of ₹ 2,705.43 Crores as compared to the turnover of ₹ 2,681.31 Crores recorded during the previous financial year ended March 31, 2024. Revenue from operations for the year ended March 31, 2025, has increased by 0.90 % as compared to the period ended March 31, 2024. The net loss of your Company for the financial year ended March 31, 2025, stood at ₹ 638.72 Crores as against the Net Profit of ₹ 458.30 Crores for the financial year ended March 31, 2024. The profit before tax for the financial year ended March 31, 2025, reflects a decline of 230.46% as compared to the profit for the financial year ended March 31, 2024.

OPERATIONAL HIGHLIGHTS

MFI

Particulars	Financial Year 2025	Financial Year 2024	Change (%)
Number of Pure Branches	1,243*	1,206	3.07%
Number of Active Members	34,92,160	39,11,494	-10.72%
Gross Loan Portfolio (Rs in Crore)	7,206.65	10,938.94	-34.12%
Total Disbursement (Rs in Crore)	4,583	9,322	-50.83%
No. of States (in Operation including UTs)	25	25	0.00%

* Additionally, MFI business is also done through 369 hybrid branches (364 GL and 5 MSME).

Gold Loan

Particulars	Financial Year 2025	Financial Year 2024	Change (%)
Number of Branches	520*	520	0%
Gross Loan Portfolio (Rs in Crore)	928.38	889.68	4.35%
Total Disbursement (Rs in Crore)**	10,877	15,300	-29%
No. of States (In Operation including UTs)	15	15	0%

* The total number of Gold Loan branches includes 366 hybrid branches (364 MFI and 2 MSME)

** Including repledge

MSME

Particulars	Financial Year 2025	Financial Year 2024	Change (%)
Number of Branches	27*	24	12.5%
AUM (Rs in Crore)	53.76	51.92	3.54%
No. of States (in Operation)	9	10	-10%

* Out of the 27 MSME branches, 7 are hybrid branches (5 MFI and 2 Gold Loan), and 6 are co-located with MAFIL.

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

TRANSFER TO RESERVE

As per the extant guidelines of Reserve Bank of India for NBFCs, since the Company has reported loss for the financial year ended March 31, 2025, no amount is transferred to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

DEBENTURE REDEMPTION RESERVE

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

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

DIVIDEND

The Board of Directors has not recommended any dividend for the Financial Year 2024-25.

Transfer to Investor Education and Protection Fund

During the period, the Company does not have any amount due to be credited to the Investor Education and Protection Fund as provided in the provisions of Section 125 of the Companies Act, 2013.

DEPOSITS

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and classified as NBFC-MFI, effective from October 04, 2013. The Board of Directors hereby confirm that the Company has not accepted any from the public within the meaning of provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 or any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, necessary documents have already been submitted before the Reserve Bank of India in this regard.

RESOURCES

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

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

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

TOTAL BORROWINGS

The Company's overall borrowing as on March 31, 2025, was ₹ 6,938.20 Crores.

i) Non-Convertible Debentures (Excluding subordinated debt)

During the year under review, your Company did not raise any funds through issue of Non-Convertible Debentures (NCDs) on private placement basis and outstanding NCDs as on March 31, 2025, was ₹ 24.86 Crores.

ii) Subordinated Debt

During the year, your company did not raise any funds through issuance of Subordinated Debt on a private placement basis and the outstanding Subordinated Debt as on March 31, 2025 was ₹ 649.59 Crores.

iii) Commercial Paper

During the year, the Company did not raise funds through Commercial Paper.

iv) External Commercial Borrowings

In the financial year ended March 31, 2025, the Company did not raise any funds through External Commercial Borrowing. The outstanding ECB as on March 31, 2025, was ₹ 76.01 Crores.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

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

Further, the Company continues to remain the subsidiary of Manappuram Finance Limited, which holds 19,54,85,619 Equity Shares of ₹ 10/- each aggregating to ₹ 1,95,48,56,190/- constituting 97.60% of the Share Capital of the Company as on March 31, 2025.

CREDIT RATING

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

The Company has debt credit ratings as follows:

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

CAPITAL ADEQUACY

Your Company being a Middle Layer NBFC as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended from time to time) based on total capital to risk weighted assets. As of March 31, 2025, the Company's total Capital Adequacy Ratio (CAR) stood at 20.93 % which is above the regulatory minimum of 15%.

Out of the above, Tier I capital adequacy ratio stood at 15.83% and Tier II capital adequacy ratio stood at 5.10 %.

SHARE CAPITAL

During the year under review, there was no change in the Authorised Capital as well as Paid up Capital of the Company and the same stood at ₹ 300 Crores and ₹ 200.28 Crores, respectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees/Investments are detailed in the Financial Statements. Kindly refer Note 7(a) & 8.

RELATED PARTY TRANSACTIONS

Contracts/ arrangements/ transactions entered by the Company during the FY 2024-25 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. The particulars of contracts/ arrangements with related parties under Section 188 in Form AOC-2 is annexed with this report as "Annexure-A". Necessary disclosures as required in compliance with accounting standards with related parties are disclosed in notes forming part of the financial statements in the annual report.

Board of Directors has formulated a Policy on Related Party Transaction, which is available on the website of the Company at <https://asirvadmicrofinance.co.in/wp-content/uploads/2025/03/RPT%20Policy.pdf> and the same is also annexed to this report as "Annexure-B".

MANAGEMENT DISCUSSION AND ANALYSIS

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

EXTRACT OF ANNUAL RETURN

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

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

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e March 31, 2025, and the date of the Director's Report.

However, it is pertinent to note that our holding company, i.e., Manappuram Finance Limited ("**MFL**") has entered into definitive documents dated March 20, 2025 with BC Asia Investments XXV Limited ("**Investor 1**"), BC Asia Investments XIV Limited ("**Investor 2**" and together with Investor 1, "**Bain Capital**"), and the existing promoters of MFL (including V.P. Nandakumar and Sushama Nandakumar), in relation to issue of equity shares and warrants of MFL to Investor 1 and Investor 2, respectively, by way of preferential issue on a private placement basis in accordance with applicable laws. Pursuant to the execution of the definitive documents, Bain Capital will be required to make a mandatory open offer to the public shareholders of MFL pursuant to and in compliance with applicable laws.

Upon closing of the transaction, Bain Capital will acquire and exercise control over MFL and be classified as 'promoter' of MFL, along with the existing promoters (i.e., V.P. Nandakumar and Sushama Nandakumar). The above transaction will have a positive impact on the financials and business of MFL's subsidiaries (including AMFL). The proposed transaction is not expected to have any adverse implications on the financials / credit quality of AMFL.

RBI REGULATIONS

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

The Board would like to draw attention to a cease and desist order that was served on the Company on October 17, 2024, directing to cease and desist from sanction or disbursal of loans . The contents of the order have been elaborated in a subsequent section of this report under the heading "**Regulatory Actions during the Financial Year 2024-25**"

The Company under the oversight of the Board has taken adequate remedial steps to address the deficiencies pointed out in the order and the restrictions were lifted on January 08, 2025.

The Board continues to exercise active oversight on these matters.

CORPORATE GOVERNANCE REPORT

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2025, the Company has eleven Directors, which comprises of one Executive (Managing Director), and ten Non-Executive Directors (including two Women Directors). The company has seven Independent Directors (including two Women Independent Directors). Your Company believes that a well-structured Board initiate better practices and governance based on the vast knowledge and experience of the Board Members.

In the Annual General Meeting dated September 30, 2024, members approved appointment of Mr. Gautam Rathindranath Saigal (holding DIN: 00640229) who retires by rotation and being eligible, offered himself for re-appointment as Non-Executive Non- Independent Director of the Company and re-appointment of Mr. Abhijit Sen (DIN: 00002593) as Independent Director of the Company for a second term of 5 consecutive years with effect from August 25, 2025 to August 24, 2030.

In the opinion of the Board of Directors, the Independent Directors on the Board are persons of integrity and possess the relevant expertise & experience. Further, all the Independent Directors are registered in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in compliance with Section 150 of the Companies Act, 2013 and have either qualified the online proficiency self-assessment test or are exempted.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2025, are:

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

Change in Key Managerial Personnel

- Mr. Satish Nair, President & Chief Executive Officer (CEO) (from June 03, 2024 to July 27, 2024)

Director Retiring By Rotation

Mr. S.V. Raja Vaidyanathan (DIN: 01467098), Director is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

The Board recommended his reappointment in its meeting held on May 06, 2025.

End of Tenure of Managing Director

The tenure of Mr. B N Raveendra Babu, Managing Director is ending on June 01, 2025. The Board of Directors are actively working on the succession planning.

The Board wishes to acknowledge Mr. B.N. Raveendra Babus's leadership during a difficult period and wishes him well.

The Board of Directors have appointed Mr. Roy Varghese as the Chief Executive Officer of the Company w.e.f June 01, 2025.

Brief Profile of Mr. Roy Varghese

With more than 33 years of extensive experience in the banking sector, Mr. Roy has developed expertise in Retail Banking, Corporate Banking, Foreign Exchange, and Financial Inclusion. His professional strengths include branch banking, business development, underwriting, risk management, product innovation, microfinance, agricultural loans, and financing small business enterprises. Before joining Asirvad, Dr. Roy held significant leadership roles in prominent banking institutions such as NMGB, IDBI Bank, Axis Bank, Jana Small Finance Bank, and CSB Bank Ltd. At CSB Bank, as Senior Executive Vice President, he led the Agriculture and Financial Inclusion Division, where he played a pivotal role in establishing and expanding the bank's outreach and diversifying its services. At Jana Small Finance Bank, he served as Vice President and Head- Agri & Gold Loan business, driving the growth of rural financial services.

DECLARATION FROM INDEPENDENT DIRECTORS

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

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

INDEPENDENT DIRECTOR'S MEETING

During the year, the separate meeting of Independent Directors was held on March 17, 2025, as required under Companies Act, 2013 and in compliance with the requirement under Schedule IV of the Act to consider the matters specified therein.

RISK MANAGEMENT

The Company has a Board approved Enterprise Risk Management Policy which caters to the overall risk framework and monitoring, commensurate with the size and operations of the Company, which is being updated as per the requirements and directions of the Regulators.

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

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

Our Board of Directors and various Board Committees, including the Risk Management Committee, review our internal policies and procedures, including our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions and carry out periodic IT audits to identify risk areas.

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

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

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

At an operational level, our risk management approach starts with selection of lower risk business destinations and opening of branch offices based on industry and peer comparison data at an industry level. We have adopted pre-defined policies and systems, which cover selection of borrowers, determination of group size, sanctioning ticket size based on borrower profile, selection of teams and adequate training to employees and borrowers, creating the next level of risk management and control.

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

Salient Features of the CSR Policy is as below:

- **Objective:** The objective of the Corporate Social Responsibility is to benefit the society by improving the quality of the individual, their families, local community at large. Serving the needy people is the top priority of Asirvad Micro Finance Limited ("AMFL/ The Company"). The Company already engages in improving the life of the poor or needy people by providing micro finance business. The Company's vision to benefit the under privileged does not end with that. The Company through CSR activities intends to participate in the overall development of the society.
- **Ethics, Transparency & Accountability:** The Company is committed to maintain ethical value, transparency and accountability. Further, the Company will not engage in the business practices that are abusive, unfair and corrupt.

- **CSR Activities:** As part of the CSR, the company is presently engaged in several projects which are socially relevant and demanding in the locality surrounding its corporate office area and other locations where the company has branches or other place of business. The company may continue to undertake / fund project, programs or activities of the following nature and also undertake such other activities as may be approved by the board as is falling under schedule VII of the Act 2013.

During the financial year 2024-25, the CSR Policy was reviewed to ensure all statutory provisions are covered.

The CSR policy is available on :

<https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/CSR%20Policy.pdf>

AUDITORS

Statutory Auditors & their Report

At the 17th AGM held on September 30, 2024, the Members approved the appointment of A John Moris & Co, Chartered Accountants (Firm Registration No.007220S) as Statutory Auditors of the Company to hold office for a period of three years from the conclusion of that AGM till the conclusion of the 20th AGM to be held in the year 2027.

The Statutory Auditor's Report on Financial Statements for the year ended March 31, 2025, does not contain any qualification, reservation, or adverse remarks.

Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on May 06, 2024, appointed KSR & CO Company Secretaries LLP as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2025.

The Secretarial Audit Report as received in the prescribed Form No.MR-3, do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2024-25 is appended as "Annexure- E" to this report.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report issued by KSR & Co, Company Secretaries LLP has been submitted to the stock exchanges.

NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

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

FRAUDS REPORTED BY AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts for the year ended March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit and loss of the Company for that period.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts on a going concern basis and
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of the Company has met 15 (fifteen) times during the year under review. For details regarding the said meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

ANNUAL PERFORMANCE EVALUATION

The criteria to evaluate the performance of the Board, its committees and individual directors is being placed in NRC committee/Board every year. In accordance with the criteria specified by the Board, the process of annual evaluation has been designed.

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

NOMINATION AND REMUNERATION POLICY

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, key managerial personnel and other employees including criteria for determining qualification, positive attributes, independence etc. as laid down by the Nomination and Remuneration Committee of the Board in compliance with the provisions of Section 178 of the Act. The policy can be viewed at <https://asirvadmicrofinance.co.in/wp-content/uploads/2025/03/NRC%20Policy.pdf>.

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

Additionally, our internal audit process conducts an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal guidelines. We maintain an internal control framework which we view as

an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size.

The scope of annual internal audit is finalised by the management and approved by our Audit Committee. While our internal audit is conducted based on our risk-based audit plan, we classify our branches based on risk profile. For other functions, based on the risk perception, the areas which need to be audited, and which require more attention are determined. We determine a risk matrix after assessing inherent business risk and control risk.

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

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

Furthermore, during the Financial Year 2024-25, Deloitte Touche Tohmatsu India LLP was the consultant supporting the Internal Audit function of the Company and the report of the said auditor along with the management responses were also placed before the Audit Committee periodically.

DETAILS OF AUCTIONS HELD DURING THE YEAR 2024-25

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

(Amount in Lakhs)

Year	Number of Loan Accounts	Principal Amount O/S at the date of Auctions (A)	Interest Amount O/S at the date of Auctions (B)	Total (A+B)	Value Fetched
Financial Year 2024-2025	2076	1,171.70	633.41	1,805.11	1,604.60

Note: No sister concern participated in the auctions during the year ended on March 31, 2025.

DEMATERIALIZATION OF SHARES

As on March 31, 2025, all the shares held by the shareholders are in Demat form.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company and can be accessed at [https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/Policy%20on%20Vigil%20\(Whistle%20Blower\)%20Mechanism.pdf](https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/Policy%20on%20Vigil%20(Whistle%20Blower)%20Mechanism.pdf).

This Policy inter-alia provides direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ Employee has been denied access to the Chairman of the Audit Committee and that 2 complaints were received during the year.

FAIR PRACTICE CODE

The Company has in place a Fair Practices Code ("FPC") as approved by the Board, in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers enabling them to take informed decisions. The FPC is available on the website of the Company at <https://asirvadmicrofinance.co.in/fair-practice-code-policy/>

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

SECRETARIAL STANDARDS OF ICSI

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

COMPOSITION OF COMMITTEES

The Composition of Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship And Customer Service Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee, IT Strategy Committee, Borrowing & Securities Allotment Committee and Management Committee are detailed in the Corporate Governance Report.

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

Your Company is dedicated to fostering a workplace environment that promotes fairness, safety, and respectful relationships across all its locations. We are committed to maintaining the dignity of every employee, regardless of gender or position. Any form of discrimination or harassment is strictly prohibited.

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

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

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

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

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

OTHER DISCLOSURES AND AFFIRMATIONS

The Company affirms that for the year ended on March 31, 2025:

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

REGULATORY ACTIONS DURING THE FINANCIAL YEAR 2024-25

1. Cease and desist from sanction or disbursal of loans

The Reserve Bank of India in exercise of its power under Section 45L(1)(b) of the Reserve Bank of India, 1934 directed the company to cease and desist from sanction or disbursal of loans effective from the close of business on October 21, 2024, till the company's pricing policy, risk management processes and customer service aspects were suitably remediated and the deficiencies highlighted thus far were rectified to the satisfaction of RBI.

Subsequently, based on the submissions made by the company and post special inspection by RBI, 'Cease and Desist Order' was lifted on January 8, 2025.

2. The Reserve Bank of India imposed an aggregate monetary penalty of ₹6.20 lakh (Rupees Six Lakh Twenty Thousand only) on February 21, 2025. This penalty was levied for non-compliance with certain RBI directions, specifically regarding
 - i. Non-compliance with the Bank's directions on submission of information regarding household income to Credit information Companies.
 - ii. Non-compliance with obligations of a household.

- iii. Non-compliance with the Bank's directions on standardized simplified factsheet
 - iv. Failure to comply with the Bank's directions on digital lending
 - v. Failure to comply with the Bank's directions on Internal Ombudsman (IO)
3. During the financial year, the Company received a Show Cause Notice from SEBI dated September 03, 2024 ("SCN"), regarding certain matters w.r.t Non-Convertible Debentures ("NCDs") issued under ISIN: INE516Q08281. The Company filed a detailed reply to this SCN. This matter is pending. The NCDs were redeemed on March 12, 2024.

CERTIFICATE ON CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

The Company had 17,506 employees as on March 31, 2025.

DETAILS OF REMUNERATION/ COMMISSION RECEIVED BY MANAGING DIRECTOR FROM SUBSIDIARIES

Asirvad has no subsidiary during financial year 2024-25. Further, Mr. B N Raveendra Babu (DIN- 00043622), Managing Director of the Company has not received any remuneration/ commission from the Parent Company- Manappuram Finance Limited.

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

No company became or ceased to be subsidiary or joint venture or associate company of Asirvad Micro Finance Limited during the Financial Year 2024-25.

IDENTIFICATION OF PROMOTER

As on March 31, 2025, Manappuram Finance Limited and Mr. V. P. Nandakumar are categorised as the promoters of the Company.

DRAFT RED HERRING PROSPECTUS

Your Company had filed the DRHP dated October 4, 2023 on October 5, 2023 and Addendum to the DRHP on February 15, 2024, with SEBI and the Stock Exchanges including BSE Limited. However, the Board of Directors has decided to withdraw the DRHP and Addendum to the DRHP due to uncertain market conditions, pursuant to its resolution dated March 20, 2025. We have accordingly withdrawn the DRHP and Addendum to the DRHP filed with SEBI.

CHANGE IN NATURE OF BUSINESS IF ANY

There has been no change in the nature of business during the financial year 2024-25.

ACKNOWLEDGEMENT

The Directors would like to express their sincere gratitude for the valuable support and cooperation provided by Shareholders, Debenture Holders, Debenture Trustees, The Reserve Bank Of India, The Registrar of Companies, The Securities And Exchange Board of India, BSE Limited, Bankers, Financial Institutions, Business Associates, Government Authorities, Sa-Dhan, MFIN, Customers, Vendors, and all other Stakeholders throughout the year.

We also appreciate the unwavering trust and confidence demonstrated by the promoters of the Company.

Furthermore, the Directors extend their heartfelt thanks to all employees for their ongoing dedication, commitment, and tireless efforts, during the challenging financial year 2025.

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

V. P. Nandakumar
Chairman
DIN: 00044512

B. N. Raveendra Babu
Managing Director
DIN: 00043622

Date: May 08, 2025
Place: Valapad

Annexure–A
Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into by the Company during the financial year 2024-25 which were not at arm's length basis.

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

There were no material contracts or arrangement or transactions entered into by the Company during the financial year 2024-25.

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

V. P. Nandakumar

Chairman
DIN: 00044512

B N Raveendra Babu

Managing Director
DIN: 00043622

Date: May 08, 2025

Place: Valapad

Annexure-B

RELATED PARTY TRANSACTIONS POLICY

1. Preamble

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

2. Definitions

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

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

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

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

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

section 2 of the Companies Act, 2013 or under the applicable accounting standards¹.

Provided that:

- i. any person or entity forming part of the promoter or promoter group of the Company; or
- ii. any person or entity holding equity shares of 20% or more, (10% or more with effect from April 01, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Companies Act, 2013) at any time during the immediate preceding financial year.

shall be deemed to be a related party.

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

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

"Senior Management" shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the company.

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

¹ Applicable Accounting Standard is IndAS 24

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

3. Policy

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

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

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

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

4. Transactions that are considered as Related Party Transactions

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

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

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

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

or any of its subsidiaries with effect from April 01, 2023;

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

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

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

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

1. A person or a close member of that person's family is related to a company if that person:
 - a. has control or joint control or significant influence over the Company; or
 - b. is a key management personnel of the Company or of a parent of the Company; or
2. An entity is related to a company if any of the following conditions applies:

- a) The entity is a related party under Section 2(76) of the Companies Act, 2013; or
- b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- c) Both entities are joint ventures of the same third party; or
- d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- e) The entity is controlled or jointly controlled by a person identified in (1); or
- f) A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity).
- g) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- h) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

5. Transactions that are not considered as Related Party Transactions

The following transactions are not considered as Related Party Transactions:

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

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

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format

as per Form RPT (Annexure-1 to this Policy) to the Company Secretary on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in details disclosed in form RPT.

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

Transactions that require prior approval of Audit Committee of the Board

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

Transactions that require prior approval of Audit Committee of MAFIL:

- a) Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit Committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MAFIL;
- b) With effect from April 01, 2023, Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit Committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of AMFL;

Material Modification

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

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Nature of goods or services
- c. Total value of the Related Party Transaction
- d. Period approved for Related Party Transaction

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

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

Information to be placed before Audit Committee:

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

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

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

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

With effect from April 01, 2025 the Company shall provide the Audit Committee with the information as specified in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and shareholders for approval of a related party transaction", while placing any proposal for review and approval of a Related Party Transactions.

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

Factors to be considered by the Audit Committee

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

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

- a) Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b) Whether the transaction could be material or significant by value;
- c) The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;
- d) Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and

- e) Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.
- f) While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

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

Omnibus Approval

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

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

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

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

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

8. Approval by the Board

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

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

9. Approval by Shareholders

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

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

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

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

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

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

except the information on source of funds and cost of funds;

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

With effect from April 01, 2025, the notice being sent to the shareholders seeking approval for any Related Party Transactions shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and shareholders for approval of a related party transaction."

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

If the Company obtain omnibus shareholders' approval for material RPTs in a Annual General Meeting, the same shall be valid upto the date of the next AGM which is maximum for a period not exceeding fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in extra ordinary general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

Transactions that require prior approval of Shareholders of MAFIL:

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

10. Disclosure, recording and reporting of Related Party Transactions

- a) Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.
- b) Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013/ SEBI Listing Regulations.

- c) Company shall submit along with publication of half yearly financial results, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.
- d) The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.
- e) Details of all material transactions with related parties shall be disclosed in the Annual Report.

11. Policy on Loan and Advances to Directors as per RBI directives

In addition to the provisions of Companies Act 2013 and SEBI Listing Regulations, as per provisions of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ,

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

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

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

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

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

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

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

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

- i) Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to their directors/ senior officers for loans and advances aggregating ₹ 5 Crores & above. NBFCs shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.
- ii) Company shall disclose in Annual Financial Statement, aggregating amount of such sanctioned loans and advances.

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

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

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

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

12. Dissemination of Policy

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

13. Policy Review

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

Annexure-1

Form RPT

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

Dear Sir,

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

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

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

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

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

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

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

Sr. No.	Name of the person	Relation
---------	--------------------	----------

- E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

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

Signature: _____

Name: _____

Designation: Director

DIN No: _____

Place: _____

Date: _____

Schedule to Form RPT

LIST OF RELATIVES

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

Signature: _____

Name: _____

Designation: Director

DIN No: ____

Place: ____

Date: ____

Annexure-2

Disclosure to be placed before Audit Committee:

Sl. No.	Particulars	Information
1	Name of the Product/Service	
2	Name of the Related Party	
3	Relationship of Related Party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	
4	Type/ Nature of the proposed transaction	
5	Material terms and particulars of the proposed transaction	
6	Tenure/ Term of the proposed transaction (particular tenure shall be specified)	
7	Value of the proposed transaction	
8	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	
9A.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	
9B.	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments: <ul style="list-style-type: none"> Nature of indebtedness Cost of funds tenure 	
9C.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
9D.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
10	Justification as to why the RPT is in the interest of the Company	
11	A copy of the valuation or other external party report, if any such report has been relied upon	
12	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	
13	Brief details of the Arm's length test conducted	
14	Ordinary Course or not	
15	Necessity of entering into the transaction	
16	Does the transaction require prior approval of MAFIL Audit Committee <ul style="list-style-type: none"> a) Does it exceed 10% of consolidated turnover of MAFIL b) Does it exceed 10% of standalone turnover of AMFL 	
17	Does the transaction require prior approval of MAFIL Shareholders	
18	Any other information that may be relevant	
19	Test for subsequent materiality of the transaction taken together with other transactions carried out in the Financial Year with the subject related party <p>Value of all transactions entered in the current financial year</p> <p>Versus 10% of annual consolidated turnover</p>	

Note:- With effect from April 01, 2025 the Company shall provide the Audit Committee with the information as specified in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and shareholders for approval of a related party transaction", while placing any proposal for review and approval of a Related Party Transactions.

Annexure-C

Corporate Governance Report

Company's Philosophy on Code of Governance

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

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

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

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, dated March 27, 2025, Asirvad Micro Finance Limited (AMFL) is not High Value Debt Listed Entities ("HVDLE"). Therefore, as on March 31, 2025, regulations 16 to 27 of SEBI (LODR) Regulations, 2015 and newly introduced Chapter VA-Corporate Governance norms for a Listed Entity which has listed its Non- Convertible Debt Securities is not applicable for AMFL.

For better governance, the company has continued to adhere to all the compliances for the period ended on March 31, 2025.

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

RBI Guidelines on Corporate Governance

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

has framed the Policy of Internal guidelines on Corporate Governance and reviews and updates the same periodically.

Company's Philosophy on Corporate Governance

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

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

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

Board of Directors

As on March 31, 2025, your Company's Board consists of 11 (Eleven) directors, out of which 10 directors are non-executive directors (including two women directors). The Board has seven Independent Directors (including two women directors). The composition of the Board is in conformity with the provisions of Companies Act, 2013 ("Act"), SEBI LODR and Reserve Bank of India.

The Board of Directors met fifteen times in the financial year 2024-25 on the following dates: April 25, 2024, May 06, 2024, May 22, 2024, June 27, 2024, July 16, 2024, July 26, 2024, August 27, 2024, October 18, 2024, October 23, 2024, October 29, 2024, October 30, 2024, November 13, 2024, November 22, 2024, February 06, 2025, March 15, 2025 and March 19, 2025 (Adjourned meeting of March 15, 2025).

Composition and Category of Directors as on March 31, 2025:

Name of Director	Director Since	DIN	Category and Designation	No of Shares
Mr. V P Nandakumar	12/02/2015	00044512	Promoter, Non- Executive, Non-Independent Director (Chairman)	7,78,209
Mr. Abhijit Sen	17/03/2020	00002593	Non- Executive, Independent Director	-
Ms. Anita Belani	13/01/2023	01532511	Non- Executive, Independent Director	-
Mr. B N Raveendra Babu	12/02/2015	00043622	Executive, Non-Independent, Managing Director	1,88,466
Mr. D R Dogra	09/09/2016	00226775	Non- Executive, Independent Director	89,472
Mr. Gautam Saigal	18/03/2015	00640229	Non- Executive, Non-Independent Director	1,54,005
Mr. Harshan Kollara	07/08/2021	01519810	Non- Executive, Independent Director	-
Ms. Pushya Sitaraman	02/02/2019	06537196	Non- Executive, Independent Director	-
Mr. S K Mitra	17/03/2020	00029961	Non- Executive, Independent Director	-
Mr. S V Raja Vaidyanathan	29/08/2007	01467098	Non- Executive, Non-Independent Director	33,59,202
Mr. T Balakrishnan	15/05/2018	00052922	Non- Executive, Independent Director	-

Attendance during the financial year 2024-25 of each Director at the Board Meetings as well as previous Annual General Meeting are as follows:

Sl. No.	Name of the Director	Category and Designation	Attended (Board meeting)	Attended last AGM held on September 30, 2024
1	Mr. V P Nandakumar	Promoter, Non- Executive, Non-Independent Director (Chairman)	15	YES
2	Mr. Abhijit Sen	Non- Executive, Independent Director	13	YES
3	Ms. Anita Belani	Non- Executive, Independent Director	9	YES
4	Mr. B N Raveendra Babu	Executive, Non-Independent, Managing Director	15	YES
5	Mr. D R Dogra	Non- Executive, Independent Director	14	YES
6	Mr. Gautam Saigal	Non- Executive, Non-Independent Director	14	YES
7	Mr. Harshan Kollara	Non- Executive, Independent Director	14	YES
8	Ms. Pushya Sitaraman	Non- Executive, Independent Director	13	YES
9	Mr. S K Mitra	Non- Executive, Independent Director	14	YES
10	Mr. S V Raja Vaidyanathan	Non- Executive, Non-Independent Director	14	YES
11	Mr. T Balakrishnan	Non- Executive, Independent Director	15	YES

Details of change in composition of the Board during the current (FY 2025) and previous financial year (FY 2024)

Sl. No.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter / Nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective Date
1	Mr. T Balakrishnan (DIN: 00052922)	Independent & Non-Executive Director	Re-appointment	May 15, 2023
2	Mr. T M Manoharan (DIN: 00225640)	Independent & Non-Executive Director	Re-appointment	May 15, 2023
3	Mr. T M Manoharan (DIN: 00225640)	Independent & Non-Executive Director	Resignation*	July 15, 2023
4	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Appointment as Additional Director	September 22, 2023
5	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Appointment as Non-Executive and Non-Independent Director	October 03, 2023
6	Mr. Ramanathan Annamalai (DIN: 02645247)	Independent & Non-Executive Director	Retired from the position of the Independent Director on completion of his second term	November 30, 2023
7	Dr. Sumitha Nandan (DIN: 03625120)	Non-Executive and Non-Independent Director	Resignation	February 13, 2024

*Mr. T M Manoharan, Independent Director of the Company has Resigned from the Board due to health issues with effect from July 15, 2023. The confirmation by such director that there are no other material reasons other than those provided is available at : [https://asirvadmicrofinance.co.in/wp-content/uploads/2023/07/BSE%20Intimation-Resignation%20of%20ID-15-07-2023\(1\).pdf](https://asirvadmicrofinance.co.in/wp-content/uploads/2023/07/BSE%20Intimation-Resignation%20of%20ID-15-07-2023(1).pdf)

The details of Directorships & Committee Chairmanships/Memberships as on March 31, 2025

Sl. No.	Name of the Director	Number of Directorships	Memberships in Audit / Stakeholders Relationship Committee**	Chairmanships in Audit / Stakeholders Relationship Committee**	Category of directorship and Names of listed entities where person is a director*
1	Mr. V P Nandakumar Chairman	18	3	0	1. Manappuram Finance Limited - Managing Director
2	Mr. B N Raveendra Babu Managing Director	1	1	0	-
3	Mr. Abhijit Sen Independent Director	5	5	3	1. Kalyani Forge Limited - Independent Director 2. Manappuram Finance Limited- Independent Director
4	Ms. Anita Belani Independent Director	9	6	0	1. Fosco India Limited – Independent Director 2. Redington Limited - Independent Director 3. Benares Hotels Limited - Additional Director 4. JSW Infrastructure Limited 5. Vivriti Capital Limited
5	Mr. D R Dogra Independent Director	9	6	2	1. Skipper Limited- Independent Director 2. IFB Industries Limited- Independent Director 3. Capri Global Capital Limited- Independent Director 4. G R Infraprojects Limited- Independent Director 5. S Chand and Company Limited- Independent Director
6	Mr. Gautam Saigal Non-Executive, Non-Independent Director	4	2	1	-
7	Mr. Harshan Kollara Independent Director	2	3	1	1. Manappuram Finance Limited- Independent Director
8	Ms. Pushya Sitaraman Independent Director	3	2	0	1. LMW Limited- Independent Director
9	Mr. S K Mitra Independent Director	6	7	4	1. IL&FS Engineering and Construction Company Limited - Independent Director 2. IL&FS Transportation Networks Limited – Non-Executive, Non Independent Director
10	Mr. S V Raja Vaidyanathan Non- Executive, Non-Independent Director	7	2	0	-
11	Mr. T Balakrishnan Independent Director	4	2	1	-

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

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

As on March 31, 2025, there is no relationship between Directors inter se.

Familiarization Program for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. The Company has conducted two programs during the financial year 2024-25. The details of the same uploaded in the company's website at the web link: <https://asirvadmicrofinance.co.in/wp-content/uploads/2025/05/Familiarization%20Programme%20for%20Independent%20Directors%202024-25.pdf>

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

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

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

Separate meeting of the Independent Directors

A Separate Meeting of the Independent Directors was held on March 17, 2025, without the presence of Non-Independent Directors and members of Management. All the Independent Directors attended the meeting and inter alia:

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

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

Leadership
Extended business leadership experience resulting in understanding of organizational and administrative processes and practices, strategic planning and risk management.
People Practices
Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.
Financial Management & Control
Proven expertise in financial management, financial control, capital planning and Accounting with understanding of associated standards and reporting practices.
Diversity including gender and occupation
Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government and other stakeholders.
Technology
A significant background in technology including applications, Infrastructure, information security etc resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Governance
Service in a public company board with good insights on Governance requirements and practices for Board and management and accountability, protecting shareholders interests.
Sales and Marketing
Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.
Regulatory and compliance
Extended experience and understanding of the regulatory environment operating in the context of the business of financial services including financial risk management.
Law
Legal background and experience.
Financial Services
Extended experience in a financial services firm enabling a rich understanding of the sector and the context including financial inclusion practices and strategies.
Sustainability
Experience and exposure in understanding sustainability from the business perspective with regard to employees, customers and the larger community including the environment.

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

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

Committees of the Board

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

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise

internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Audit Committee met nine times on the following dates during the financial year 2024-25 on May 04, 2024, May 22, 2024, July 26, 2024, August 16, 2024, October 30, 2024, November 14, 2024, November 26, 2024, February 05, 2025, and March 15, 2025.

Composition of the Audit Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. D R Dogra	February 01, 2017	9	Chairman, Independent Director
Mr. Abhijit Sen	March 17, 2020	9	Member, Independent Director
Mr. Gautam Saigal	May 12, 2015	9	Member, Non-Executive, Non-Independent Director
Mr. Harshan Kollara	November 12, 2021	9	Member, Independent Director
Mr. S V Raja Vaidyanathan	July 01, 2021	8	Member, Non-Executive, Non-Independent Director
Mr. T Balakrishnan	May 15, 2018	9	Member, Independent Director

Role of Audit Committee Includes

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

- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

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

- (d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (e) statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, as amended.
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations, as amended.
- (f) Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.
- d) devising a policy on Board diversity;
- e) identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g) recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (h) carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

Nomination and Remuneration Committee

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

Role of Nomination and Remuneration Committee Includes

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

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the Board;
- c) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- (i) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("**ESOP Scheme**")
 - i. Determining the eligibility of employees to participate under the ESOP Scheme;
 - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - iii. Date of grant;
 - iv. Determining the exercise price of the option under the ESOP Scheme;
 - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

- x. The grant, vest and exercise of option in case of employees who are on long leave;
 - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - xii. The procedure for cashless exercise of options;
 - xiii. Forfeiture/ cancellation of options granted;
 - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the
- derivative markets in India and abroad may be considered; and
- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (j) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme; and
 - (k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.
- The Nomination and Remuneration Committee met five times on the following dates during the financial year 2024-25: May 06, 2024, May 22, 2024, August 26, 2024, October 24, 2024, and January 29, 2025.

Composition of the Nomination and Remuneration Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. T Balakrishnan	May 15, 2018	5	Chairman, Independent Director
Ms. Anita Belani	May 09, 2023	5	Member, Independent Director
Mr. Gautam Saigal	March 04, 2016	5	Member, Non-Executive, Non-Independent Director
Mr. Harshan Kollara	December 01, 2023	5	Member, Independent Director
Ms. Pushya Sitaraman	May 30, 2020	5	Member, Independent Director

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

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

- Commitment to ensure that there is fairness and integrity in the Company, in letter as well as spirit
- Exercise of own judgment and voicing of opinion freely

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

Stakeholders Relationship and Customer Service Committee

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

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

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report,

- non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Any other matters that can facilitate better investor services and relations.
- Review of measures taken for effective exercise of voting rights by shareholders.
- To carry out the roles and responsibilities of Customer Service Committee as per RBI Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 including determination of the structure of emoluments, facilities and benefits accorded to the Internal 24 Ombudsman / Deputy Internal Ombudsman and discussion of cases, in which the decision of the Internal Ombudsman has been rejected by the regulated entity.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- During the financial year 2024-25, the Stakeholder Relationship and Customer Service Committee met three times on the following dates: August 10, 2024, October 25, 2024 and January 31, 2025.
- Review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports/statutory notices by the security holders of the Company.
- Review of all communications to security holders mandated by LODR and Companies Act, 2013.

Composition of the Stakeholder Relationship and Customer Service Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. Harshan Kollara	March 23, 2023	3	Chairman, Independent Director
Mr. B N Raveendra Babu	May 24, 2021	1	Member, Managing Director
Ms. Pushya Sitaraman	May 24, 2021	3	Member, Independent Director
Mr. S K Mitra	May 24, 2021	3	Member, Independent Director

Name, designation and address of Compliance Officer:

Ms. Aparna Menon

Company Secretary

Asirvad Micro Finance Limited

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

Ph: 9345960647

Email ID: sec@asirvad.in

No complaints were received from the security holders during the financial year 2024-25.

Risk Management Committee

The risk management framework is an important parameter that define the success of a financial services organization.

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

The Risk Management Committee met four times on following dates during the financial year 2024-25: May 02, 2024, August 09, 2024, August 27, 2024 (Adjourned meeting dated August 09, 2024), October 26, 2024, November 12, 2024 (Adjourned meeting dated October 26, 2024) and January 30, 2025.

Composition of the Risk Management Committee as on March 31, 2025 is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. Gautam Saigal	March 04, 2016	4	Chairman, Non-Executive, Non-Independent Director
Mr. Abhijit Sen	March 17, 2020	4	Member, Independent Director
Ms. Anita Belani	May 09, 2023	3	Member, Independent Director
Mr. B N Raveendra Babu	May 30, 2020	4	Member, Managing Director
Mr. D R Dogra	September 09, 2016	4	Member, Independent Director
Mr. S V Raja Vaidyanathan	November 06, 2014	3	Member, Non-Executive, Non-Independent Director
Mr. Sundararaj S*	November 01, 2024	2	Non-Board Member, Chief Risk Officer

* Mr. Sathish Kumar Chalasani has resigned from the position of Chief Risk Officer ("CRO") with effect from April 15, 2024, and no RMC were attended in the financial year 2024-25.

Mr. Linekker M.R has appointed as Chief Risk Officer ("CRO") with effect from May 06, 2024, and has attended two meetings of the Risk Management Committee as CRO during the year. Further, Mr. Sundararaj assumed the role of CRO and became member of Risk Management Committee with effect from November 01, 2024.

Role of Risk Management Committee Includes

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

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

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

Corporate Social Responsibility Committee

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

The Corporate Social Responsibility Committee met four times on below mentioned dates during the financial year 2024-25: May 03, 2024, August 02, 2024, October 24, 2024 and January 29, 2025.

Composition of the Corporate Social Responsibility Committee as on March 31, 2025, is as follows:

Name of Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Ms. Pushya Sitaraman	May 13, 2019	4	Chairperson, Independent Director
Mr. B N Raveendra Babu	February 01, 2017	3	Member, Managing Director
Mr. D R Dogra	July 01, 2021	4	Member, Independent Director
Mr. T Balakrishnan	July 01, 2021	4	Member, Independent Director

Role of CSR Committee Includes

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

IT Strategy Committee

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

During the financial year 2024-25, the IT Strategy Committee met four times on the following dates: May 14, 2024, August 24, 2024, October 25, 2024 and January 28, 2025.

Composition of the IT Strategy Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. S K Mitra	March 17, 2020	4	Chairman, Independent Director
Mr. Abhijit Sen	July 01, 2021	4	Member, Independent Director
Mr. B N Raveendra Babu	May 13, 2019	4	Member, Chief Information Officer, Managing Director
Mr. S V Raja Vaidyanathan	November 04, 2017	4	Member, Non-executive, Non-Independent Director
Mr. Ajith U*	February 12, 2025	0	Member, Chief Technology Officer

* Mr. Joshy K.G resigned from the position of Chief Technology Officer ("CTO") of the company with effect from February 11, 2025. Mr. Ajith U assumed the role of Chief Technology Officer ("CTO") of the company with effect from February 12, 2025.

Borrowing & Securities Allotment Committee

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

The Borrowing & Securities Allotment Committee met twenty two times on the following dates during the financial year 2024-25: April 04, 2024, April 30, 2024, May 17, 2024, June 22, 2024, June 26, 2024, June 29, 2024, July 24, 2024, July 29, 2024, August 10, 2024, August 12, 2024, August 19, 2024, September 02, 2024, September 17, 2024, September 19, 2024, September 23, 2024, September 25, 2024, September 28, 2024, October 21, 2024, October 26, 2024, January 07, 2025, February 20, 2025 and March 12, 2025.

Composition of the Borrowing Committee & Securities Allotment Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. B N Raveendra Babu	February 19, 2015	22	Chairman, Managing Director
Mr. S V Raja Vaidyanathan	April 25, 2009	22	Member, Non- Executive, Non-Independent Director
Mr. T Balakrishnan	February 05, 2024	22	Member, Independent Director
Mr. V P Nandakumar	February 19, 2015	22	Member, Non- Executive Director, Non-Independent Director

Management Committee

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

During the Financial Year, the said Committee met four times i.e., on July 25, 2024, October 17, 2024, January 27, 2025 and March 14, 2025.

Further, the composition of Management Committee as on March 31, 2025, is as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. V P Nandakumar	July 01, 2021	4	Chairman, Non-Executive, Non-Independent Director
Mr. Abhijit Sen	March 17, 2020	4	Member, Independent Director
Mr. B N Raveendra Babu	May 13, 2019	4	Member, Managing Director
Mr. D R Dogra	February 01, 2017	4	Member, Independent Director
Mr. Gautam Saigal	May 12, 2015	4	Member, Non-Executive, Non-Independent Director
Mr. Harshan Kollara	November 12, 2021	4	Member, Independent Director
Mr. S V Raja Vaidyanathan	September 07, 2009	3	Member, Non-Executive, Non-Independent Director

IPO Committee

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

During the financial year 2024-25, no meetings were conducted for the IPO Committee

The Company withdrew the DRHP and Addendum to DRHP on March 20, 2025, due to uncertain market conditions.

Consequently, the purpose for IPO Committee no longer existed. Therefore, the IPO Committee was dissolved with effect from the date of withdrawal of DRHP and addendum to DRHP i.e., March 20, 2025.

Asset Liability Committee

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

During the financial year 2024-25, the Asset Liability Committee met thirteen times on the following dates: April 19, 2024, May 29, 2024, June 25, 2024, July 15, 2024, August 30, 2024, September 13, 2024, October 28, 2024, November 20, 2024, December 19, 2024, December 24, 2024, January 24, 2025, February 19, 2025 and March 28, 2025.

Composition of the Asset Liability Committee as on March 31, 2025 are as follows:

Name of the Member	Member of Committee since	No. of Committee Meetings attended during the Financial Year 2024-25	Position and Category
Mr. B N Raveendra Babu	May 30, 2020	13	Chairman, Managing Director
Mr. Chintha Prasad	November 07, 2022	13	Member, CEO-MFI
Mr. Sundararaj S*	November 01, 2024	6	Member, CRO
Mr. Rajesh KRN Namboodiripad	May 17, 2022	13	Member and Secretary of the Committee, CFO
Mr. Sugesh Ram K S**	June 27, 2024	10	Member, CCO

* Mr. Sathish Kumar Chalasani has resigned from the position of Chief Risk Officer ("CRO") with effect from April 15, 2024, and no ALCO meetings were attended in the financial year 2024-25.

Mr. Linekker M.R has appointed as Chief Risk Officer ("CRO") with effect from May 06, 2024 and has attended six meetings of the ALCO as CRO during the year. Further, Mr. Sundararaj S assumed the role of CRO and become member of ALCO with effect from November 01, 2024.

** Mr. Sugesh Ram K S was appointed as a member with effect from June 27, 2024.

Further, Mr. Satish Nair was appointed as member with effect from June 27, 2024, and he attended 1 meeting in the financial year 2024-25. Subsequently, he resigned from his post w.e.f. July 27, 2024.

Senior management

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

Senior Management	As on March 31, 2025
CEO- MFI	Mr. Chintha Prasad
CFO	Mr. Rajesh K R N Namboodiripad
BUSINESS HEAD GOLD	Mr. Muthu Bhaskar
CHRO	Mr. Mohan Parthasarathy (from August 27, 2024)
Head-HR	Mr. Shyju K (Upto August 26, 2024)
CCO	Mr. Sugesh Ram K S
CS	Ms. Aparna Menon
CTO	Mr. Joshy K.G (Upto February 11, 2025) Mr. Ajith U (from February 12, 2025)
CRO	Mr. Sathish Kumar Chalasani (Upto April 15, 2024) Mr. Linekker M.R (from May 06, 2024 to October 30, 2024) Mr. Sundararaj S (from November 01, 2024)
HEAD OF INTERNAL AUDIT	Ms. Jiji Joseph (Upto October 30, 2024) Mr. Pramod M (from November 01, 2024)
CIRO	Mr. Basvaraj Shetty (Upto November 14, 2024)

Remuneration to Directors

Details of remuneration of the Directors for the financial year ended March 31, 2025:

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission for the year ended March 31, 2025 approved by the Board of Directors (excluding GST)	Stock Options	Shareholding (Equity) (No.)
Mr. V P Nandakumar	-	-	-	-	7,78,209
Mr. S V Raja Vaidyanathan	-	11.89	-	-	33,59,202
Mr. B N Raveendra Babu	152.68	-	60**	-	1,88,466
Mr. Gautam Saigal	-	10.34	-	-	1,54,005
Mr. T Balakrishnan	-	12.01	-	-	-
Mr. D R Dogra	-	10.15	-	-	89,472
Ms. Pushya Sitaraman	-	7.18	-	-	-
Mr. S K Mitra	-	6.65	-	-	-
Mr. Abhijit Sen	-	9.83	-	-	-
Mr. Harshan Kollara	-	10.18	-	-	-
Ms. Anita Belani	-	5.07	-	-	-

*Mr. Ramanathan Annamalai, Independent Director of the Company retired as on November 30, 2023. The commission of ₹ 14 lakhs for the financial year 2023-24 was paid in the financial year 2024-25.

**The Board at its meeting held on May 06, 2025, approved an ex-gratia payment of Rs. 60 lakhs for the Mr. B N Raveendra Babu, subject to approval of shareholders at the ensuing Annual General Meeting.

Criteria of making payments to Non-Executive Directors

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

Considering the losses posted by the Company, the Nomination and Remuneration Committee and the Board has not recommended any commission for the Financial Year 2025.

Sitting fees are approved by the Board separately for Board and committee meetings.

Disclosures with respect to Remuneration

Pecuniary relationship or transactions with the non-executive directors.

Refer Note Number 36 of the Financial Statements for all transactions with Directors and their related parties

Executive Directors

Mr. B N Raveendra Babu, Managing Director

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

Remuneration paid for FY 2025

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Benefits/ Provident Fund	Sitting Fee	Commission paid during the year	Stock Options
Mr. B N Raveendra Babu	140.52	12.16	-	-	-

The Board at its meeting held on May 06, 2025, approved an ex-gratia payment of ₹ 60 lakhs for the Mr. B N Raveendra Babu, subject to approval of shareholders at the ensuing Annual General Meeting.

Details of Remuneration approved by Shareholders of the Company:

- Salary: ₹ 1,42,20,000 (Rupees One Crore Forty-Two Lakh and Twenty Thousand Only) per annum;
 - Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
 - Retirement Benefits / Perquisites Contribution to PF: @ 12% of the monthly salary;
 - Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;
 - Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);
 - Medical Reimbursement Expenses: For self and family including premium payable for medical insurance;
 - Personal Accident Insurance: As per the rules of the Company;
 - Leave Travel Concession: For self and family once in a year as per the rules of the Company;
 - Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees;
 - Perquisite: Rent Free Accommodation provided, while staying in Chennai;
 - Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time;
 - In the event of inadequacy of profits or no profits, Mr. B N Raveendra Babu, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3 Crore during any financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.
- ii. performance criteria includes the below;
- Performance related to budget.
 - Performance vis a vis peers.
 - Employee engagement weightage (based on team building, attrition levels etc) Employee engagement survey and actions taken thereafter.
 - Building an ethical culture in the organisation, developing a strong Risk management and compliance culture across the Company, with strong and constructive relationship building with regulators and investor relations.
- iii. service contracts, notice period, severance fees: NA
- iv. stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

General Body Meetings

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

Sl. No	Meeting	Date & Time	Venue
1	Annual General Meeting	September 30, 2024 at 11.00 AM	9 th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002. (Through Video Conference)
	Special Resolutions Passed <ul style="list-style-type: none"> • Re-appointment of Mr. Abhijit Sen (DIN: 00002593) as an Independent Director of the Company • Revision in remuneration of Mr. B N Raveendra Babu, Managing Director (DIN: 00043622) of the company • Related party transactions with Manappuram Finance Limited 		
2	Annual General Meeting	August 16, 2023 at 11.00 AM	9 th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002. (Through Video Conference)
	Special Resolutions Passed <ul style="list-style-type: none"> • Alteration of the Articles of Association of the Company • Revision in remuneration of Mr. B N Raveendra Babu, Managing Director (DIN: 00043622) of the company 		

3	Annual General Meeting	September 24, 2022 at 11.00 AM	9 th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002. (Through Video Conference)
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Special Resolutions Passed

- Re-appointment of Mr. S.K Mitra as an Independent Director of the Company
- Re-appointment of Mr. T Balakrishnan as an Independent Director of the Company
- Re-appointment of Mr. T M Manoharan as an Independent Director of the Company
- Revision in remuneration of Mr. B N Raveendra Babu, Managing Director of the company
- Related party transactions with Manappuram Finance Limited

No resolutions were passed vide Postal Ballot during the financial year 2024-25. No special resolution is proposed to be conducted through postal ballot.

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

Means of Communication

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

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

General Shareholders Information

(a) Annual general meeting - date, time and venue;	Date: August 12, 2025 Time: 11.00 A.M. (IST) through video conferencing Venue: through video conferencing
(b) Financial year;	2024-25
(c) Dividend payment date;	NA (No payment during the FY 2024-25)
(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	Debt Securities of the Company are listed at BSE Limited (BSE). Address of BSE: 25 th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 Annual listing fee for FY 2024-25 has been paid by the Company to BSE within due date.
(e) In case the securities are suspended from trading, the directors report shall explain the reason thereof;	NA
(f) Registrar to an issue and share transfer agents;	MUFG Intime India Pvt. Ltd (Formerly Link Intime India Pvt Ltd) Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road Coimbatore - 641028, TN, India Phone: +91 422 2314792/ 5792, 4958995, 2539835/ 836 E-mail: coimbatore@in.mpms.mufig.com Investor grievance e-mail: coimbatore@in.mpms.mufig.com Website: https://www.in.mpms.mufig.com
(g) Share transfer system;	All shares and debentures of the Company are in the Demat form and are transferrable through Depository System.
(h) dematerialization of shares and liquidity	Detailed below
(i) distribution of shareholding	Detailed below
(j) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	NA (It is a debt listed company)
(k) commodity price risk or foreign exchange risk and hedging activities;	Please refer the Notes No. 39 and 51 of financial statements
(l) Plant locations;	There are no plants for the company, however, we have branches across India as detailed in the Directors' Report.

(m) Address for correspondence.	Registered Office: 9 th Floor, No.9, Club House Road, Anna Salai, Chennai, Tamil Nadu - 600002
(n) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Details of Credit Rating is detailed in the Directors' Report.

Dematerialisation of shares and Liquidity

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

Shares of the Company are unlisted.

As on March 31, 2025, 100% of the equity shares of the Company are in electronic form with the depositories as detailed below:

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

Distribution of shareholding as on March 31, 2025

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

Other Disclosures

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 36 of Standalone financial statements.
- There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years except as given below:

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

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

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

As at March 31, 2025, the Company is awaiting waiver notices for emails from BSE imposing fines worth ₹ 35,400.

Other penalties/strictures are detailed under the section "Regulatory Actions during the Financial Year 2024-25" in Boards Report.

- The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link [https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/Policy%20on%20Vigil%20\(Whistle%20Blower\)%20Mechanism.pdf](https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/Policy%20on%20Vigil%20(Whistle%20Blower)%20Mechanism.pdf)

- Details of compliance with Mandatory requirements and adoption of non-mandatory requirements- Company is in compliance with all mandatory requirements applicable to it as per SEBI LODR i.e., Chapter II, Chapter III, Chapter IV (From Regulation 17 to 27) and Chapter V.
- The Company does not currently have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. The Policy on Material Subsidiaries may be accessed at [https://asirvadmicrofinance.co.in/wp-content/uploads/2025/05/Policy%20on%20determining%20material%20subsidiaries%20\(1\).pdf](https://asirvadmicrofinance.co.in/wp-content/uploads/2025/05/Policy%20on%20determining%20material%20subsidiaries%20(1).pdf)
- The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of <https://asirvadmicrofinance.co.in/wp-content/uploads/2025/03/RPT%20Policy.pdf>
- The disclosure of commodity price risks and commodity hedging activities

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

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

The company has shifted from short term loans with maturity of 90 days to a duration of one year as commodity price risk seems to have subsided. The price of gold has been staying at elevated levels and is likely to remain so due to various geopolitical tensions and inflationary trends. The trend in adding gold reserves by major central banks is likely to maintain gold price at the elevated levels. The elevated price of gold should positively impact collections as loss of principal and interest during auctions are expected to be negligible,

thereby positively impacting yields. Besides, high price will also minimize the downside risk to AUM from a shrinkage in gold stocks held by us, assuming LTV is more or less the same.

The Company does not face any foreign exchange risks from its loan portfolio as all its loans are in Indian Rupee. The company's borrowing is also largely in Indian rupee. However, based on the market opportunities, the company also raises loans denominated in foreign currency. As a policy, the company fully hedges its foreign currency exposures, and the Company does not have any unhedged foreign currency borrowings. For hedging, the company avoids complex derivative instruments and opts for plain vanilla forward contracts or cross currency swaps or combinations for hedging foreign exchange risks.

- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA
- A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is published at the report as Annexure-I
- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:- NA
- Total fees for all services paid by the listed entity to the statutory auditor is detailed in Note. 31(u) of the Financial Statements
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. Number of complaints filed during the financial year – 2
 - b. Number of complaints disposed of during the financial year - 3
 - c. Number of complaints pending as on end of the financial year - Nil
- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'- Nil
- Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries- The Company has no Subsidiaries

- Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. – Nil

- The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015 as applicable.

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

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

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

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

Clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of

the Company) is not applicable to the Company. Company is in Compliance with website disclosure requirements specified in Regulation 62 of Listing Regulations.

Code of Conduct

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at [https://asirvadmicrofinance.co.in/wp-content/uploads/2025/02/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management%20\(2\).pdf](https://asirvadmicrofinance.co.in/wp-content/uploads/2025/02/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management%20(2).pdf)

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

MD/CFO Certification-

The requisite certification made by MD/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2024-25 which was taken note by the Board of Directors at its meeting held on May 06, 2025 is published in this report as Annexure – III.

Disclosures with respect to demat suspense account/unclaimed suspense account – NA.

Shares of the Company are not listed.

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

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

B N Raveendra Babu
Managing Director
DIN: 00043622

V P Nandakumar
Chairman
DIN: 00044512

Date: May 08, 2025
Place: Valapad

Annexure-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment
	Mr.V P Nandakumar	00044512	10/02/2015
	Mr. B N Raveendra Babu	00043622	10/02/2015 / 01/07/2021#
	Mr. Abhijit Sen ^	00002593	17/03/2020
	Mr. S K Mitra ^	00029961	17/03/2020/ 01/01/2023*
	Mr. T Balakrishnan ^	00052922	15/05/2018
	Mr. D R Dogra ^	00226775	09/09/2016 / 08/09/2021*
	Mr. Gautam Saigal	00640229	18/03/2015
	Mr. S V Raja Vaidyanathan	01467098	29/08/2007
	Mr. Harshan Kollara ^	01519810	07/08/2021
	Ms. Pushya Sitaraman ^	06537196	02/02/2019 / 01/02/2022*
	Ms Anita Belani ^	01532511	13/01/2023

Appointed as Managing Director

*Re-appointed for Second term as Independent Director

^ Independent Director

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

Date: May 06, 2025

Place: Coimbatore

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan

Partner

FCS: 5367; CP:4408

UDIN: F005367G000284910

PR No.2635/2022

Annexure-II

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

This is to confirm that the Company has adopted Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended March 31, 2025, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Valapad

Date: May 06, 2025

B N Raveendra Babu

Managing Director

DIN: 00043622

Annexure-III

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

To:

The Board of Directors of Asirvad Micro Finance Limited

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

- (a) We have reviewed financial statements and cash flow statement for the year ended March 31, 2025, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2025, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
 - 1. significant changes, if any, in the internal control over financial reporting during the financial year ended March 31, 2025;
 - 2. significant changes, if any, in the accounting policies during the financial year ended March 31, 2025 and that the same have been disclosed in the notes to the financial statements; and
 - 3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

B N Raveendra Babu

Managing Director
 DIN: 00043622

Rajesh KRN Namboodiripad

Chief Financial Officer

Place: Valapad

Date: May 06, 2025

Annexure-D

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company

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

2. Compositions of the Corporate Social Responsibility Committee as on March 31, 2025:

SL No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Pushya Sitaraman	Chairperson, Independent Director	4	4
2	Mr. B N Raveendra Babu	Member, Managing Director	4	3
3	Mr. T Balakrishnan	Member, Independent Director	4	4
4	Mr. D R Dogra	Member, Independent Director	4	4

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

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

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at <https://asirvadmicrofinance.co.in/wp-content/uploads/2024/09/CSR%20Policy.pdf>

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

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

5. (a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 31787.09 Lakhs
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹ 635.74 Lakhs
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years : Nil
- (d) Amount required to be set-off for the financial year, if any : Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 635.74 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : 533.24 Lakhs
- (b) Amount spent in Administrative overheads : Nil
- (c) Amount spent on Impact Assessment, if applicable : Not Applicable.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 533.24 Lakhs
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
533.24	102.49	16-04-2025	-	-	-

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

Sl. No.	Particular	Amount (₹ In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

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

(₹ In Lakhs, unless otherwise mentioned)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer.		
1	2023-24	-	-	-	-	-	-	
2	2022-23	-	-	-	-	-	-	
3	2021-22	312.29	21.73	21.73	-	-	-	
TOTAL		-	-		-	-	-	

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

If yes, enter the number of capital asset created or acquired- 21

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

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent (In ₹)	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1.	Interior and @vil @ks (Infrastructural Development of Manappuram Civil Service Academy) Address: Punkunnam Junction, 4 th Floor, Sobha Heights Building Agraharam Road, Thrissur, Kerala-680002	680002	06/06/2024	13,540.00	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent (In ₹)	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
2.	Building Construction for Alpha Hospice. Address: Edamuttam PO, Thrissur-680568	680568	20/03/2025	70,00,000	CSR00010218	Alpha Charitable Trust	Alpha Charitable Trust, Ix/617, Edamuttam P O, Thrissur, KL12, Kerala, 680568
3.	Building Constrction for Alpha Palliative Care Link Centre Chalakudy Address: Alpha Palliative Care Chalakudy Link center, near Gopalakrishna Auditorium, Chako's Paradise, South Chalakudy Pin-680307	680307	28/02/2025	12,00,000	CSR00010218	Alpha Charitable Trust	Alpha Charitable Trust, Ix/617, Edamuttam P O, Thrissur, KL12, Kerala, 680568
4	Dream Runners Foundation, Address: Flat- SF2, Mulberry, New No. 6, Old No.14, II Cross Street, Karpagam Gardens, Adyar, Chennai - 600020	600020	21/6/2024	11,00,000.00	CSR00013499	Dream Runners Foundation	Dream Runners Foundation, Flat- SF2, Mulberry, New No. 6, Old No.14, II Cross Street, Karpagam Gardens, Adyar, Chennai - 600020
5	Infrastructure Development at Mageet School. Adrees: MAgeet, Valappad Thrissur, Kerala -680567	680567	26/03/2025	2,61,29,234.00	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
6	Purchase of Land for Attappadi Youth Empowerment Project Address: Nearby Narasimukk, Agali Panchayat-678581	678581	19/07/2024	1,00,00,000.00	CSR00009159	Santhi Medical Information Centre	Santhi Medical Information Centre, Punnathoor road, Kottapadi, Guruvayur, KL12, Kerala 680505
7	Purchase of Benches, Desks, Bero Almirah and printer to improve facilities at PUPS VEDIYARASAMPALAYAM Namakkal Address: PUPS VEDIYARASAMPALAYAM Pallipalayam (pincode-638008) PUES Palli, Agraharam Pallipalayam Namakkal Tamilnadu.	638008	22/10/2024	3,54,552.00	Nil	PUPS VEDIYARASAMPALAYAM Namakkal	PUPS VEDIYARASAMPALAYAM Pallipalayam (Pincode: 638008) PUES Palli, Agraharam Pallipalayam Namakkal Tamilnadu.
8	Patient Monitor and Defibrillator to Anthikkad CHC Address: Anthikkad Community Health Center, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala-680561	680561	14/05/2024	1,68,000.00	Nil	Anthikkad Community Health Center	Anthikkad Community Health Center, Cherpu - Thriprayar Rd, Cherpu, Thrissur, Kerala 680561
9	4 Dialysis Machines for Thanal Address: Thanal, Thazhe Angadi, Beach Road, Vatakara, Kozhikode-673103	673103	10/06/2024	12,00,000.00	CSR00005288	Daya Rehabilitation Trust,	Daya Rehabilitation Trust, Kuttikattoor, Kozhikode District, KI08, Kerala, 673008

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent (In ₹)	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
10	1 Computer to Triprayar Community Health centre. Address: Thriprayar CHC, Thriprayar Rd, Peringottukara, Thanniyam, Kerala-680564	680564	12/06/2024	48,700.00	Nil	Thriprayar Community Health Centre	Thriprayar CHC, Thriprayar Rd, Peringottukara, Thanniyam, Kerala 680564
11	1 House for Sheena Address: Sheena, Puthuvassery Moolakombil House, Chemanganad, Aluva, Ernakulam-682578	682578	10/05/2024	58,500.00	Nil	Ms. Sheena	Sheena, Puthuvassery Moolakombil House, Chemanganad, Aluva, Ernakulam, 682578
12	1 House for Suneera Address: Ms. Suneera K K, D/o Kunjumoidheen, Kallungal House Mala P O Kottamury-680732	680732	10/05/2024	1,00,000.00	Nil	Ms. Suneera K K	Ms. Suneera K K, D/o Kunjumoidheen, Kallungal House Mala P O Kottamury 680732
13	1 House for Jeena Jose Address: Jeena Jose, C/o Jose K M, Koithanath (H), Nattukal Post, Thachanattukara -I, Palakkad, Kerala-678583	678583	10/05/2024	1,25,000.00	Nil	Jeena Jose	Jeena Jose, C/o Jose K M, Koithanath (H), Nattukal Post, Thachanattukara -I, Palakkad, Kerala 678583
14	1 House for Sheela Address: Sheela, W/o George, Mundathanath, Chendikunnu, Varakkad Village, Maloth, Kasragod, Kerala-671533	671533	02/07/2024	2,50,000	Nil	Sheela	Sheela, W/o George, Mundathanath, Chendikunnu, Varakkad Village, Maloth, Kasragod, Kerala -671533
15	1 House for Sunil C S/o Balan C, Puthen Veedu, Thiruvangad P O, Kannur-670103	670103	04/07/2024	1,25,000.00	Nil	Sunil C	Sunil C, S/o Balan C, Puthen Veedu, Thiruvangad P O, Kannur, 670103
16	1 House for Vaishnavi Sudeer. Address: Vaishnavi Sudheer, D/o Sudheer A, Valiya Punathil, Chombala, Vatakara, Kozhikode-673308	673308	04/07/2024	1,00,000.00	Nil	Vaishnavi	Vaishnavi Sudheer, D/o Sudheer A, Valiya Punathil, Chombala, Vatakara, Kozhikode, 673308
17	1 House for Thankamani Address: Thankamani P, W/o Suresh Kumar P, Karuvathum Chalil (H), Kunduchira, Ponniam West, Kannur-670641	670641	30/08/2024	1,60,500.00	Nil	Thankamani	Thankamani P, W/o Suresh Kumar P, Karuvathum Chalil (H), Kunduchira, Ponniam West, Kannur
18	1 house for Latha PK Address: Latha P K, W/o Balakrishnan C N, Chathanattuveil, CMC 31 Ward, Velorvattom, Cherthala North, Alappuzha-688524	688524	06/07/2024	1,25,000.00	Nil	Latha P K	Latha P K, W/o Balakrishnan C N, Chathanattuveil, CMC 31 Ward, Velorvattom, Cherthala North, Alappuzha, 688524

Sl. No.	Short particulars of the property or asset(s). [Including complete address and location of the property]	PIN code of the property and asset(s)	Date of Creation	Amount of CSR spent (In ₹)	Details of the entity/ public authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
19	House Construction and Development of Thirupayancheri Colony -Sayujyam Project Address: Thirupayancheri Colony, Valapad po, Pin-680567	680567	17/07/2024	4,56,000.00	Nil	Various individual beneficiaries: Sayujyam Project	Thirupayancheri Colony, Valapad PO, pin:680567
20	Mariam Ouseph, Address: Kolanpakkara, Angadikara, Kothamangalam, EKM-686691	686691	19/07/2024	1,00,000.00	Nil	Mariam Ouseph,	Mariam Ouseph, Kolanpakkara, Angadikara, Kothamangalam, EKM, 686691
21	Kidwai Memorial Institute of Oncology Address: WHQX+79H Dr MH, Marigowda Rd, Lakkasandra, Hombegowda Nagar, Bengaluru, Karnataka-560029	560029	31/03/2025	21,73,478.00	Nil	Kidwai Memorial Institute of Oncology	Kidwai Memorial Institute of Oncology, WHQX+79H Dr MH, Marigowda Rd, Lakkasandra, Hombegowda Nagar, Bengaluru, Karnataka-560029

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub section (5) of section 135

The amount remaining unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. The amount transferred will be spent within a period of 3 years.

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

Pushya Sitaraman

Chairperson of CSR Committee
DIN: 06537196

Date : May 06, 2025

Place : Chennai

B N Raveendra Babu

Managing Director
DIN: 00043622

Date : May 08, 2025

Place : Valapad

Annexure-E

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended March 31, 2025

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on March 31, 2025 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and Exchange Commercial Borrowings.*
- (v) 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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (limited to obligations of the company)

- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **
- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.*
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (f) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (limited to obligations of the company)
- (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, per se not applicable to the Company being only debt listed and having issued ESOP in terms of Section 62(1)(b) read with Rule 12 of (Share Capital and Debenture) Rules, 2024.
- (vi) The following Act, Rules, Regulations, Directions, that are specifically applicable to the Company based on its main objects:
 - (a) The Reserve Bank of India Act, 1934
 - (b) Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024
 - (c) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs – RBI Guidelines.
 - (d) Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) directions, 2023

*Based on the information and explanation provided, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.

** Chapter IV-Regulations 16 to 27 on comply or explain basis until March 27, 2025; Chapter V- Regulations 49 to 62A). Based on information provided, the Company is not a High Value Debt Listed Entity (HVDLE) as on March 31, 2025.

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

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

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. No changes were made to the composition of the Board of Directors during the period covered under the Audit.

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

the Agenda items before the Board Meeting and for meaningful participation at the Board Meeting.

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

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

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

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

Date: 06th May, 2025

Place: Coimbatore

UDIN: F005367G000284899

PR No.2635/2022

KSR/CBE/A-239/ /2025-26

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the Company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial year ended on March 31, 2025.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial

records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further compliance of provisions of Master Direction - Non-Banking Financial Company – Scale Based Directions, 2023 and Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) directions, 2023 is limited to compliance of corporate governance provisions and verification of filing of forms and returns thereunder.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan

Partner

(FCS : 5367; CP : 4408)

Date: May 06, 2025

Place: Coimbatore

UDIN: F005367G000284899

PR No.2635/2022

Annexure-F

NOMINATION & REMUNERATION POLICY

Introduction

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

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

Key Principles of the Remuneration Policy

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

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

Objective and purpose of the Remuneration Policy

The following are the key objectives of the policy:

- To guide the Board in relation to the appointment and removal of Directors, KMP and Senior Management;
- To evaluate the performance of the members of the Board and provide the necessary report to the Board for further evaluation;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

- To 'Pay for Performance' i.e. the remuneration shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company;
- To ensure compliance and maintain high standards of governance.
- To set out the 'fit and proper' criteria based on which new directors proposed to be appointed and existing directors whose appointment is intended to be continued/ renewed can be evaluated

Appointment and Removal of Director, KMP and Senior Management Personnel

1. Appointment Criteria and Qualifications

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

f) Assessment of independence

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

To achieve the above objectives, the board may obtain proper declarations from the appointee/ Directors at the time of appointment and at such intervals as the board may deem fit.

- g) The Company has extensive borrowing relationships with almost all the leading Banks in India. Commonality of Directorships with any Bank and/or any of its subsidiary/s, is likely to impede timely flow of working funds from such Bank/s to the Company due to regulatory directions in respect of credit sanction by a Bank leading to changes in Bank's internal approval chain and delays. As the seamless flow of working funds is important, the company shall refrain from considering any candidates for on-boarding as a Director who is already serving on any Bank or any of their subsidiary Company/s Board or NBFC- Non-Operative Financial Holding Company ("NOFHC"). In the event of any candidate joining after leaving a Bank or subsidiary board or NOFHC with whom the company has borrowing relationships such induction shall be effective after a cooling period of 3 Months from the date of exit from the Bank/ NOFHC Board. In case any serving member is desirous of joining the Board of any Bank or any subsidiary of such Banks or NOFHC, such member may exercise choice between the Company and the Bank/ NOFHC with due notice to the Company.

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

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

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

Any appointment to the role of Managing Director/ Executive Director (if applicable) shall be proposed to the Nomination and Remuneration Committee of the

Board after an initial screening and selection by a panel constituting of 3 or more Directors as may be decided by the Board, which shall mandatorily include the Chairman of Nomination and Remuneration Committee and Chairman of the Board.

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

2. POLICY FOR "FIT AND PROPER" CRITERIA IN RESPECT OF DIRECTORS

The Board of Directors has adopted the following policy with regard to ascertaining the Fit and Proper criteria of Directors at the time of their appointment in the Board. This is required to ensure that the Directors of the Company who are responsible for steering the affairs of the Company are fit and proper, besides having the necessary qualifications, technical expertise, track record, integrity etc.

This Policy have been framed as required under Master Direction - Reserve Bank of India (Non-Banking Financial Company -Scale Based Regulation) Directions, 2023, issued by Reserve Bank of India ("RBI"). This Policy has been created in line with the guideline provided by the RBI and shall be reviewed by the Nomination and Remuneration Committee (NRC) periodically including in the context of any additional guideline or directions which may be issued by the RBI from time to time.

The Company believes that this policy will aid the Company's constant endeavour to ensure that only individual of high caliber and who possess the right blend of qualifications, expertise, track record and integrity are appointed on the Board.

The Company, while appointing/ continuing directors, shall ensure that the procedures mentioned below are followed:

1. An independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time. There shall be no restriction to directorship on the Boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013. To ensure this, the Committee shall obtain a declaration from any new incumbent to the Board in the category of Independent Director.

2. In case of appointment of executive Directors, non-executive Directors or Independent Directors, the Nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same.
3. The Company shall undertake a process of due diligence to determine the suitability of the person for appointment/ continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other "fit and Proper" criteria.
4. To comply with the above, the necessary information and declaration from the proposed/ existing Directors for ensuring eligibility shall be obtained as per the format prescribed by RBI.
5. The process of due diligence along with scrutiny of the declarations shall be undertaken by the Nomination and Remuneration Committee at the time of appointment/ renewal of appointment. Accordingly, the Nomination and Remuneration Committee shall decide on the acceptance or otherwise of the Directors.
6. Every year as on March 31, a simple declaration from the directors shall be obtained that the information already provided has not undergone any change and wherever there is any change, requisite details are furnished by them forthwith.
7. It shall be ensured that a 'Deed of Covenant' is executed with the nominated/ elected directors as per the format prescribed by RBI. The Managing director is authorised to sign the Deed of Covenants on behalf of the Company.
8. Independent/Non-Executive Directors appointed to the Board shall be between 25 to 75 years of age at the time of initial appointment. Appointments of any new Directors will be made for a tenure of 3 or 5 years at the discretion of the NRC/Board. Serving members are eligible to be reappointed for a similar or lower period at the discretion of the NRC/Board upon their completion of the initial term.
9. In case any member of the Board is expected to cross the age of 75 years during the course of his/her tenure, the appointment will be only made subject to special resolution of the shareholders which shall be moved at the time of appointment itself.
10. The Company shall have at least one Woman director on the Board in compliance with the Regulatory Directions.
11. The Nomination and Remuneration Committee shall be authorized to undertake any action/ step required to be taken to comply with the requirements prescribed under the RBI Circular or any amendments thereof.
12. The various 'Fit and Proper' criteria which need to be reviewed by the Nomination and Remuneration Committee before an appointment of a person as Director or after a person is appointed as Director on continuing basis shall include the following:
 - (a). Whether the Person is qualified to be appointed as Director or not attracting any disqualifications as prescribed under various provisions of Companies Act, 2013 and LODR;
 - (b). Whether any Proceedings have been initiated against the person in the past and/ or pending as on date involving any civil, criminal, economic offence, taxation authorities or relating to any other regulatory body such as Securities and Exchange Board of India ("SEBI"), Insurance Regulatory and Development Authority ("IRDA"), Ministry of Corporate Affairs ("MCA") etc.;
 - (c). Whether the person or the entities in which he is interested have been subject to any investigation at the instance of any Government Department or Agency;
 - (d). Whether the person or the entities in which the person is interested have been prosecuted/ convicted for the violation of any economic laws and regulations.
 - (e). Whether the person at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities.
13. The Committee will assess and evaluate the eligibility of the person based on the above mentioned Fit and Proper criteria before any appointment or renewal of appointment of director and subsequently the aforesaid criteria will be reviewed/evaluated by the Committee on continuing basis.
14. The Committee may also review credit bureau reports and defaulter status in bank records etc., as part of further due diligence.

15. Except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. There shall be no restriction to directorship on the Boards of NBFC-BLs.

3. Tenure

a) Managing Director / Whole-time Director:

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

b) Independent Director:

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

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

4. Removal

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

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

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

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

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

Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the

Nomination committee from time to time. In the event of no suitable candidate being found fit for promotion, a suitable person from any of the group companies, or from outside may be chosen.

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

Remuneration to the Directors, KMP and Senior Management Personnel

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

- The remuneration and commission of Executive and Non- Executive Directors/ Independent Directors shall be recommended by the Committee to the Board of Directors and shall be subject to the provisions of Companies Act, 2013.
- The remuneration for Executive Directors shall be arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution, etc. The elements of the remuneration and limits are applicable as defined in the Companies Act, 2013 and rules/ schedules made thereunder.
- The remuneration of Executive Directors shall be divided into two components i.e. fixed and variable. The fixed component comprises salary, allowances, perquisites, provident fund, gratuity etc. The variable component comprises annual performance pay which may be a fixed amount as decided by the Board. In addition to this, the Executive Director may also be offered and allotted shares under the Employee Stock Option Scheme (ESOS) of the Company.
- At the beginning of each financial year NRC with the approval of the Board shall prescribe KPIs for MD and Executive Directors.
- Any variable pay shall be in compliance with Annex XXIV of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
- The Non-Executive and Independent Directors of the Company would be paid sitting fees within the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings. The sitting fee shall be decided by the Board from time to time on the recommendation of the Committee.
- In case of profits/inadequate profits/ losses, the Directors may also be paid remuneration by way of Commission as defined in the Companies

Act, 2013 read with Schedule V of the said act. The Committee shall recommend to the Board for the payment of Commission to Directors.

- The Board of Directors shall decide the actual amount to be paid to each Non-Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and contribution made by them.
- Independent Directors shall not be entitled to stock options.

ii) KMP and Senior Management

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

Membership & Quorum:

The Committee shall consist of :

- (a) the committee shall comprise of at least three directors.

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

Chairperson:

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

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

Frequency of Meetings

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

Annexure - A

POLICY ON DIVERSITY OF BOARD OF DIRECTORS

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

The Company believes that a diverse Board will amongst others–

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

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

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

Expertise in; Leadership

- i. People Practices
- ii. Financial Control
- iii. Diversity including gender and occupation
- iv. Technology
- v. Governance
- vi. Sales and Marketing
- vii. Regulatory
- viii. Law
- ix. Financial Services
- x. Sustainability

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

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

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

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

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

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

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

Accordingly, the Committee shall:

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

Annexure B

Asirvad Micro Finance Limited

Compensation policy

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

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

1. Objective of the policy

The policy seeks to achieve the following objectives.

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

2. Scope of the policy

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

3. Definition(s)

- "Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013 ("the Act") means:
 - the Chief Executive Officer or the Managing Director or the manager
 - the Company Secretary.
 - the Whole-time Director.

- the Chief Financial Officer.
- such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and: and
- such other officer as may be prescribed.

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

4. Underlying Principles for the policy

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

- To align the compensation with the long-term interests of the Company and its shareholders/ stake holders.
- To be transparent as far as possible simultaneously ensuring less complexity.
- Align the parameters to annual business performance of the company.
- To ensure meritocracy and is linked to key performance and business drivers.
- Reflective of market competitiveness so as to attract the best talent.

5. Compensation Structure

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

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

5.2 Variable Pay

Cash component:

- Annual component - based on individual performance against Key Performance Indicators (KPIs) agreed between the employee concerned and the Company which shall be made operative subject to overall company's performance being in line with budgetary objectives. While the KPIs will be set by the NRC in respect of Whole time Directors, KPIs in respect of KMPs and SMPs who are subject to variable pay shall be fixed by Managing Director in consultation with NRC. Such amounts are paid in cash at the end of the review period to the concerned employee and will be based on the assessment with the approval of the NRC/ Board
- Joining / sign-on bonus for new KMP / Relocation incentive/severance pay etc. Such payments are paid in cash or reimbursement wherever applicable as per the rules of the company applicable.
- Deferred annual compensation: Certain portion of the performance based variable pay, (Annual

component) as decided by NRC/Board, may be deferred. Such deferral may be made applicable to cash and non-cash components of variable pay. The quantum and the deferral period of such deferral arrangement may be decided by the NRC/Board. Conditions applicable for the payment of such deferrals including in the event of severing relationship with the company, any unforeseen events associated with the beneficiary of the payment may be decided by the NRC/ Board. The vesting of deferred cash component of variable pay would continue as per schedule decided by the NRC/Board at the time of deferral even after separation of the employee from the services of the company except in the event of this separation being on account of Malus or Claw back provisions being applicable. In the event of death or permanent disability of the individual unvested portions of variable pay will vest immediately except in situations where provisions of Malus / Clawback as applicable will apply.

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

5.3 Principles and procedures applicable for Variable pay

- Variable pay as a proportion of total remuneration increases as roles and responsibilities increase.
- The percentage distribution of total remuneration could vary basis roles and responsibility and performance in a given financial year
- Wherever any employee is paid a variable pay it shall be subject to well defined performance indicators clearly articulated with the employee. Such KPIs shall clearly link the performance with the total remuneration paid to an individual. This is shared at the start of the year with KMP and members of senior management Personnel (SMP).

- d) The annual performance management process of the company gets initiated at the start of the financial year with goal setting. At the end of the year, the individual is evaluated on the performance delivered basis individual, business/ function unit's and company's performance. In addition, the individual is also rated on leadership demonstrated during the year.

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

At the beginning of each accounting year Management in consultation with NRC shall devise the detailed sets of KPIs applicable to employees being considered for payment of variable pay (in cash or non-cash) along with the parameters applicable to each employee. The exercise will cover, besides setting goals/KPIs for the year under review, the quantum of variable pay in cash, the portion of variable pay to be considered for deferral, the non-cash component of variable pay (ex. ESOP etc.) applicability of Malus. Clawback etc within the overall ratio of fixed versus variable pay prescribed in the policy/regulations. Accordingly, the final KPI will be signed off by the Management with the employee individually.

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

5.5. Compensation for Control and assurance function personnel:

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

6. Role of NRC:

- a) NRC shall be responsible for framing, review, modifying and implementation of this Policy, subject to the approval of the Board of the Company.
- b) NRC shall recommend to the Board, all remuneration, in whatever form, payable to KMPs and Designated Senior management personnel (SMPS).
- c) NRC shall ensure that related RBI Guidelines pertaining to the composition and proportion of fixed and variable pay shall be adhered to while determining the compensation of the KMPs and SMPs, including but not limited to the following conditions:
- The compensation shall achieve a fine balance between the attractiveness for the concerned employee on one hand and profitability & capital adequacy of the Company on the other hand.
 - For all reimbursements, which are part of the fixed pay, there should be a monetary limit specified in the internal grade-wise policies of the Company.
 - Proportion of variable pay vis a vis Fixed pay shall be dependent on the level of the employee, roles they carry.
 - Any variable pay will be subject to delivery of Key Performance indicators as decided by the NRC/Board. Such KPIs will be set at the beginning of the financial year after due discussion with the concerned officer.
 - Care shall be taken to ensure that critical control functions are not rewarded for business performances.
 - NRC in consultation with the Board shall also determine representative set of situations for invoking the malus claw back arrangements as detailed separately in this policy under para;

7. Malus and Clawback provisions. :

- 7.1. Malus: A malus is a feature of a remuneration arrangement that reduces the amount of a deferred incentive/ bonus, so that the amount of the payout is less than the amount of the bonus/ incentive awarded. Accordingly once Malus is invoked/triggered the amount of the payout is less than the amount of the incentive. Examples are stock options granted and is waiting to be vested. Malus arrangement does not reverse a vested right after it has already occurred.

7.2. The term clawback or claw back refers to any money or benefits that have been given out but are required to be returned (clawed back) due to special circumstances or events, such as the monies having been received as the result of a defined event triggered due to a clawback provision in the compensation. This policy proposes to make the variable (in full or part) part of the compensation subject to Malus /Clawback arrangement. While a malus arrangement permits the company to prevent vesting of all or part of the amount of a deferred remuneration and clawback, on the other hand, is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.

7.3. Applying of Malus / Clawback arrangement on entire or part of variable pay on occurrence of the following Situations: identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied. Malus & Clawback awards of variable pay will be subject to ex-ante / ex-post risk based assessment, on an annual basis at the time of allocation / vesting. 'Malus' (the reduction or cancelation of unvested awards) or 'Clawback' (recovery of payments already made) shall be implemented as under;

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

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

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

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

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

- a) Material breach of company's Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any

other such instance for which the NRC, in its discretion, deems it necessary to apply Malus or / and Clawback provisions.

- b) Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information
- c) Willful misinterpretation / misreporting of financial performance of the company
- d) Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or of criminal nature.
- e) Non-disclosure of material conflict of interest by the employee or any misuse of official powers
- f) An act of willful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the company.
- g) Malus may also be applied in the situation of significant deterioration of financial or risk performance from one financial year to the next. The performance measures defined as part of goal setting process of the company, business threshold metric and sustainable business strategy framework would form the primary considerations for evaluating the application of Malus in this condition
- h) Any events such as relating to information security events, fraud, consumer abuse, regulatory inspection observations (including awarding of lower (adverse) grades by the regulator) resulted on account of lack or deficiency or inadequacy of oversight by the subject person
- i) Any other events in the opinion of NRC/Board that has resulted in significant financial and or reputational loss
- j) Above events are to be considered by the NRC for application of Malus and Clawback where they result in significant loss to the company or its shareholders.
- k) Circumstances that may trigger Malus or Clawback provisions will be reviewed periodically by the NRC.

09. Application of Malus & Clawback provisions

- a) NRC will review the requirement to invoke the Malus or Clawback provisions in the event one or more of the circumstances come to light.
- b) The review by the NRC will aim to determine the involvement, accountability, severity and willful nature of the act of the concerned person/s.

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

10. Operational procedure Malus/Clawback

- a) As detailed in para 5.4 the exercise will decide the detailed arrangements for invoking deferral payment (retention) of cash incentives, malus and claw back provisions. Once the exercise is finalized appropriate advice/agreement will be signed with the subject employees upon granting.
- b) Subsequent to granting the arrangement concluded at the end of the accounting year will be reviewed by the NRC/Board every year to decide on invocation of one or more arrangements with the beneficiary employees.

- c) In the event of a decision by the NRC/Board to invoke the arrangement vis a vis any of the subject employee management will initiate actions with appropriate notices to the employee concerned.
- d) Period: Retention, Malus and clawback provision on any individual cases shall apply for a period of 3 years after the date of grant of the underlying variable pay to the employee concerned.

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

11. Approval and Amendments

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

12. Limitation

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

13. Review of the policy:

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

Annexure-G

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

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details pertaining to Financial Year 2024-25

Option granted	8,30,000 (Overall options granted under the Scheme) NIL granted during FY 2024-25
Option outstanding	17,500 Options (Outstanding as on April 01, 2024)
Options vested	Nil
Options exercised	Nil
The total no. of shares arising as a result of exercise of option.	Nil
Option lapsed	17,500 Options
The exercise price	₹ 364/ per option
Variation of terms of option	NA
Money realized by exercise of options	NA
Total no. of options in force	Nil (Outstanding as on March 31, 2025)
Employee wise details of options granted to:-	
a) KMP	Nil
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

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

V. P. Nandakumar

Chairman
DIN: 00044512

B N Raveendra Babu

Managing Director
DIN: 00043622

Date : May 08, 2025

Place : Valapad

Annexure-H

A. CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy

The Company is primarily into giving microfinance loans, hence the scope for conservation of energy is minimal.

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

The Company is primarily into giving microfinance loans, hence the scope for utilising alternate sources of energy is minimal.

iii. The capital investment on energy conservation equipment

NIL

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption

We have built a robust digital infrastructure to tackle the complexities of microfinance, particularly given your extensive rural borrower base. The strategic investments in technology have significantly enhanced every stage of the loan lifecycle, from initial borrower onboarding to ongoing management, encompassing appraisal, approval, disbursement, monitoring, and recovery. Achieving ISO 2001:2013 certification from BSI underscores your commitment to strong information security practices.

At the heart of the operations is a core banking solution-based Loan Management System (LMS). This central system is seamlessly integrated with critical business functions, including both digital and offline collections, HR and attendance management, a dedicated learning platform, borrower support and grievance resolution, accounting, treasury, asset management, and legal tracking. Furthermore, the LMS connects with external digital service providers to streamline essential processes such as borrower credential and creditworthiness verification, bank account validation, digital and offline collections, workflow automation, paperless approvals, and digital meetings.

The financial accounting package and HRMS are also largely integrated with the LMS, creating a cohesive operational ecosystem. This sophisticated IT infrastructure has been developed through the collaborative efforts of your internal team and external reputed IT vendor.

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

The digital approach to microfinance delivers significant advantages in efficiency, accuracy, and risk management throughout the borrower lifecycle.

- For borrower onboarding, the Company has implemented a paperless data capture system that accelerates the process. By leveraging APIs, you digitally verify key identification documents like Aadhaar and voter IDs, ensuring accurate and immediate updates of borrower names and addresses. Mobile number verification via OTP adds another layer of security, while real-time credit bureau checks allow for immediate assessment of new borrower delinquency levels.
- The system incorporates robust risk controls through automated KYC verification and built-in age criteria checks. Utilizing two KYC details enhances the accuracy of credit bureau reports, and deduplication checks across primary and secondary KYC, mobile numbers, and bank account numbers further mitigate risk. This automated and digitally-driven onboarding process eliminates the need for separate front-end acquisition and back-end KYC teams, providing immediate verification responses.
- The data infrastructure is designed to capture comprehensive borrower information, including house type, assets, income, expenses, and existing EMI details. This enables to effectively assess the reliability of income and expense data.
- For ongoing operational efficiency, system provides real-time tracking and monitoring of group meetings, attendance, demand, collections, and delinquencies at each center.
- Asirvad offer borrowers the flexibility of online digital payments through its own application and integrated third-party mobile and web-based payment platforms.
- Empowering borrowers with self-service capabilities, 'Asirvad Customer Self Service App' allows them to conveniently view and monitor their account statements.

- Finally, the workforce management tool enables effective tracking of field officer activities, contributing to overall operational oversight.

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

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

iv. The expenditure incurred on Research and Development

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Description	Nature	Currency	Amount in ₹
Interest	Outgo	EUR and USD	6,92,42,701.94
Hedging Cost	Outgo	EUR and USD	2,59,49,611.39

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

V. P. Nandakumar

Chairman
DIN: 00044512

Date: May 08, 2025
Place: Valapad

B N Raveendra Babu

Managing Director
DIN: 00043622

Annexure I

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

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

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Asirvad Micro Finance Limited (CIN U65923TN2007PLC064550)** (the Company) for the year ended March 31, 2025, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Management's Responsibility

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

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for

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

Our Opinion

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr.C.V.Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367G000284943

PR No.2635/2022

Place: Coimbatore

Date: May 06, 2025

Independent Auditor's Report

To the Members of **Asirvad Micro Finance Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **M/s. Asirvad Micro Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of section 143 of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial statements under the provisions of the Act and the Rules 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 opinion on the standalone financial statements.

Key Audit Matters

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

separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Expected Credit Loss - Impairment of carrying value of loans and advances

Refer to Note 3(i) of significant accounting policies and Note 39.

Under Ind AS 109, Expected Credit Losses ('ECL') are required to be determined for recognizing impairment losses on financial assets which are stated at amortized cost. The Company exercises significant judgment using assumptions in recognizing impairment provision for loans and advances.

The computation of impairment provision or ECL is based on significant management estimates and judgments, which are as under:-

- Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL
- Qualitative and quantitative factors used in staging the loan assets carried at amortized cost.
- Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD").
- Consideration of probability scenarios and forward looking macro-economic factors

ECL requires a large variety of data such as historical data, macro-economic & state specific variables as an input to the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.

In view of the criticality of the item to the Financial Statements, complex nature of assumptions, & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net loss for the year, in our opinion this is considered as a Key Audit Matter.

Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.

Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of expected credit losses. These procedures included the following:-

- Read the Company's Board approved Ind-AS 109 based impairment provisioning Methodology and Estimates policy.
- Understood and assessed the Company's processes and controls on measurement and recognition of impairment in the loan portfolio
- Verified on a sample basis, loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage
- Test checked the Probability of Default ('PD') and Loss Given Default ('LGD') computations performed by the management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at a portfolio level.
- From the current financial year, the component of Macro Economic Factor is also included in computation of the percentages for Expected Credit Losses in view of the market trends in the sector.
- Test checked the computations of determining Exposure at Default (EAD)
- Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages.
- Performed an assessment of the ECL provision at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- Tested the arithmetical accuracy of the computations made by the Company
- Perused the disclosures in the financial statements in respect of ECL and specific disclosures made in adherence with RBI guidelines related to COVID-19 packages.
- We have also obtained management representations wherever considered necessary.

IT Systems and Controls

The Company operates in a complex IT environment that involves substantial reliance on its IT systems which are extensively used in the operations of the Company for processing and recording voluminous data impacting key financial data including loans, interest income, repayment collections data and impairment of financial instruments.

These IT systems are also extensively used in the financial reporting process.

Adequate IT General Controls, application controls and access controls are required to ensure that such IT systems are able to process the data to ensure data consistency, accuracy and reliability especially for financial reporting.

We have identified IT Systems and Controls impacting financial reporting as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture including its extensive use in the financial reporting process. Our audit outcome is dependent on the effective functioning of such IT systems.

We performed audit procedures set out below:

- Obtained an understanding of the Company's business IT environment and key changes if any during the audit period that may be relevant to the audit.
- Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.
- We have tested and reviewed on the sample basis computation performed by the IT systems including that of interest income.
- We have placed reliance on audit report issued by the independent third-party auditor as appointed by the Company for review of Information Security and IT General Control.
- We have also obtained management representations wherever considered necessary.

Emphasis of Matter

We Refer to the note no. 66 that describes the cease-and-desist from sanction and disbursal of loans, vide RBI order dated October 17, 2024. Subsequently to the same, the company has initiated remedial action and submitted their various compliances to the RBI. Now, having satisfied itself based on company's submissions; the RBI has lifted the afore-mentioned restrictions placed vide their order (CO.DOS. DSD.No. S7210/51-01-002/2024-25) dated January 8, 2025.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and The Board of Directors are responsible for preparation of the other information.

The other information comprises the information included in the Annual Report but does not include the Standalone

Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated when we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements are as 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 the standalone financial Statements.

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

- Identify and assess the risks of material misstatement of the standalone financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial

Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The numbers and details pertaining to quarter ended March 31, 2024 and details pertaining to year ended as at March 31, 2024 and notes related thereto in the Statement have been traced from the financial statements of the Company audited by the predecessor auditors vide their unmodified audit report dated May 22, 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e) On the basis of the written representations received from the directors as at March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended;
 - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41 to the Standalone Financial Statements as at March 31, 2025;
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025;
 - c) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025; and
 - d) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements (Refer Note 61 to the Standalone Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company

to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer Note 61 to the Standalone Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- e) The Company has neither declared any dividend nor paid any dividend during the year.
- f) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from

April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention, based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, including the capturing of database Administrator Activities and disabling of the edit option for the audit logs by the Database Administrator. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

- 4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For **A.John Moris &Co,**
Chartered Accountant
FRN No.007220S

(CA K.V. Sivakumar)
Partner

M.no.027437
UDIN : 25027437BMITTA4872

Date : May 06, 2025
Place : Valapad

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT – MARCH 31, 2025

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company of even date:

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

The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment including intangible assets.
- b) In our opinion, the Company's program of physically verifying Property, Plant and Equipment once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment were physically verified by the Company during the current year, and no material discrepancies were found.
- c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.
- e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or pending against the Company as at March 31, 2025, for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a) The Company is in the business of providing micro finance loans and therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions based on the security of current assets. According to the information and explanation given to us and the records examined by us, the quarterly returns, or statements, were not required to be filed by the Company during the year as these working capital limits utilised during the year were against liquid securities placed with such banks or financial Institutions.
- iii. a) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii) (a) of the Order is not applicable to the Company.
- b) The investments made, guarantees provided, security given and loans and advances granted in our opinion, prima facie, are not prejudicial to the interest of the Company.
- c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 5,20,843 cases having loan outstanding balance as at year end aggregating to ₹ 31,514.87 Lakhs wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where repayment of principal and interest have not been regular.
- d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

Number of cases	Principal overdue (₹ Lakhs)	Interest overdue (₹ lakhs)	Total amount (₹ Lakhs)
5,20,843	24,655.93	6,858.94	31,514.87

According to the information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

- e) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii) (e) of the Order is not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- iv. There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given to us, and on the basis of examination of the

books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable was outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) According to records of the Company and the information and explanations given to us, there are no statutory dues as mentioned in sub clause vii(a) above which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Details of dues of Income Tax, which have not been deposited as at March 31, 2025, on account of dispute are given below:

Nature of Statute	Nature of dues	Forum where the dispute is Pending	Period to which the amount relates	Amount (₹ in lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2015-16	1124.50
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2016-17	1978.91
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	1521.36
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2020-21	2134.39
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2021-22	557.36
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2023-24	1875.58

Details of dues of Goods and service tax, which have not been deposited as at March 31, 2025, on account of dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Goods and Service Tax	GST	GSTAT	FY 2017-18	0.75
Goods and Service Tax	GST	GST Department	FY 2022-23	35.98
Goods and Service Tax	GST	Additional/ Joint Commissioner	FY 2017-20	60.94

- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.
- c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised, other than the Term loans aggregating to ₹ 33,549.86 Lakhs, pending utilization of funds as per respective sanction terms.
- d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been, prima facie, used for long term purposes during the year by the Company.

- e) The Company does not have subsidiary, associate or joint venture Company, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have subsidiary, associate, or joint venture, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) According to information and explanation given to us, and on the basis of examination of the books and records of the Company, we have come across instances of frauds on the Company amounting to ₹ 1,544.50 lakhs (Aggregate amount), which have been noticed and reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transaction with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports provided to us for the year under audit, and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the Company.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities or Micro Finance activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors of the Company during the year hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing

at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) Other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

- b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.

- xxi. Reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements of the Company. Accordingly, no Comment has been included in respect of the said clause under this report.

For **A.John Moris &Co,**
Chartered Accountant
FRN No.007220S

(CA K.V. Sivakumar)
Partner
M.no.027437
UDIN : 25027437BMITTA4872

Date : May 06, 2025
Place : Valapad

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT – MARCH 31, 2025

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 (‘the Act’)

(Referred to in paragraph 2(f) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

We have audited the Internal Financial Controls with reference to the Standalone Financial Statements of Asirvad Micro Finance Limited (‘the Company’) as at March 31, 2025, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control with reference to

Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **A.John Moris &Co,**
Chartered Accountant
FRN No.007220S

(CA K.V. Sivakumar)
Partner
M.no.027437
UDIN : 25027437BMITTA4872

Date : May 06, 2025
Place : Valapad

Balance Sheet as on March 31, 2025

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
I Assets			
1 Financial assets			
(a) Cash and cash equivalents	5	25,627.98	96,254.64
(b) Bank balance other than those disclosed in (a) above	6	39,607.62	37,196.96
(c) Loans	7(a)	7,01,609.22	10,29,534.74
(d) Loans given to staff	7(b)	-	153.07
(e) Investments	8	40,877.14	38,326.13
(f) Derivative financial instruments	14	1,118.24	1,356.72
(g) Other financial assets	9	7,864.63	13,826.85
Total Financial assets		8,16,704.83	12,16,649.11
2 Non-financial Assets			
(a) Current tax assets (net)	10	8,194.08	2,002.91
(b) Deferred tax assets (net)	11 (a)	27,633.81	10,557.81
(c) Investment property	12	8.64	8.64
(d) Property, plant and equipment	12	8,601.71	7,670.26
(e) Right of use asset	12	10,649.89	10,858.93
(f) Other intangible assets	12	3,062.81	1,918.31
(g) Intangible assets under development	12	-	-
(h) Other non financial assets	13	1,938.66	1,381.94
Total Non-financial assets		60,089.60	34,398.80
Total Assets		8,76,794.43	12,51,047.91
II Liabilities and equity			
1 Financial liabilities			
(a) Derivative financial instruments	14	-	-
(b) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,813.10	2,121.53
(c) Debt securities	16	2,486.87	61,989.07
(d) Borrowings (other than debt securities)	17	6,26,374.72	8,73,570.67
(e) Subordinated liabilities	18	64,959.13	65,130.40
(f) Other financial liabilities	19	26,502.02	30,677.78
Total Financial liabilities		7,23,135.84	10,33,489.45
2 Non-financial liabilities			
(a) Current tax liabilities (net)	20 (a)	-	-
(b) Provisions	20 (b)	1,164.87	1,179.90
(c) Other non-financial liabilities	21	1,017.93	1,468.62
Total Non-financial liabilities		2,182.80	2,648.52
3 Equity			
(a) Equity share capital	22	20,028.34	20,028.34
(b) Other equity	23	1,31,447.45	1,94,881.60
Total Equity		1,51,475.79	2,14,909.94
Total Liabilities and Equity		8,76,794.43	12,51,047.91

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For A.JOHN MORIS & Co

Chartered Accountants

ICAI Firm Registration No: 007220S

K.V.Sivakumar

Partner

ICAI Membership Number: 027437

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited
V P Nandakumar

Chairman

(DIN No.00044512)

Rajesh KRN Namboodiripad

Chief Financial Officer

Date: May 06, 2025

Place: Valapad

B N Raveendra Babu

Managing Director

(DIN No.00043622)

Aparna Menon

Company Secretary

Date: May 06, 2025

Place: Valapad

Statement of Profit and Loss for the year ended March 31, 2025

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
I Revenue from operations			
Interest income	24 (a)	2,59,886.89	2,51,408.75
Net Gain on derecognition of financial instruments under amortised cost category	24 (b)	9,140.47	14,250.01
Dividend income and gain on sale of mutual fund	24 (c)	12.50	-
Other operating income	25	1,502.94	2,472.68
Total Revenue from operations		2,70,542.80	2,68,131.44
II Other income	26	2,896.18	5,062.75
III Total income (I + II)		2,73,438.98	2,73,194.19
IV Expenses			
Finance cost	27	1,03,426.01	94,741.32
Impairment of financial instruments	28	1,69,678.42	46,372.95
Employee benefit expenses	29	56,280.29	48,838.71
Depreciation and amortisation expense	30	5,720.06	5,076.24
Other expenses	31	19,434.74	16,001.49
Total expenses (IV)		3,54,539.52	2,11,030.71
V Profit / (Loss) before exceptional items and tax (III - IV)		(81,100.54)	62,163.48
VI Exceptional items		-	-
VII Profit / (Loss) before tax for the period (V - VI)		(81,100.54)	62,163.48
VIII Tax expense			
(1) Current tax	11 (b)	-	19,448.50
(2) Deferred tax charge / (credit)	11 (b)	(17,228.85)	(3,287.96)
(3) Tax relating to earlier years	11 (b)	-	172.57
Total Tax expense		(17,228.85)	16,333.11
IX Profit / (Loss) after tax for the period (VII - VIII)		(63,871.69)	45,830.37
X Other comprehensive income	23		
A (i) Items that will not be reclassified to profit or loss:			
a. Remeasurement gains and (losses) on defined benefit obligations (net)		(11.84)	(247.61)
b. Fair value changes in equity instrument		-	(0.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.98	62.35
Subtotal (A)		(8.86)	(185.36)
B (i) Items that will be reclassified to profit or loss			
a. Fair value changes on derivatives designated as cash flow hedge (net)		(158.94)	(411.51)
b. Fair value changes on Investment held as FVOCI		761.18	241.86
(ii) Income tax relating to items that will be reclassified to profit or loss		(151.57)	42.70
Subtotal (B)		450.67	(126.95)
Other comprehensive Income / (Loss) for the period (A + B)		441.81	(312.31)
XI Total comprehensive Income / (Loss) for the period (IX + X)		(63,429.88)	45,518.05
XII Earnings per equity share (Face Value of ₹ 10/- per share)	33		
- Basic (₹)		-31.89	23.24
- Diluted (₹)		-31.89	23.24

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For A.JOHN MORIS & Co

Chartered Accountants

ICAI Firm Registration No: 007220S

K.V.Sivakumar

Partner

ICAI Membership Number: 027437

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman

(DIN No.00044512)

Rajesh KRN Namboodiripad

Chief Financial Officer

Date: May 06, 2025

Place: Valapad

B N Raveendra Babu

Managing Director

(DIN No.00043622)

Aparna Menon

Company Secretary

Date: May 06, 2025

Place: Valapad

Corporate Overview

Statutory Reports

Financial Statements

Statement of Cash Flow for the year ended March 31, 2025

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A Cash flow from operating activities		
Profit / (Loss) before tax for the year	(81,100.54)	62,163.48
Adjustments for:		
Depreciation and amortisation expense	5,720.06	5,076.24
Impairment of financial instruments Amortisation of assets & Loss on derecognition of financial assets (Refer note no.10)	1,69,678.42	46,372.95
Provision for insurance claim receivable	(229.93)	(82.67)
Loss/(Profit) on sale of fixed assets (net)	(0.20)	0.34
Dividend income	(12.50)	-
Finance cost	1,03,426.01	94,741.32
Interest on deposits	(9,411.16)	(5,838.77)
Provision for Resigned staff	4,626.35	-
Share based payments to employees	-	0.64
Operating profit before working capital changes	1,92,696.51	2,02,433.53
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	1,65,167.08	(2,06,513.79)
Loans given to staff	153.07	(132.95)
Other financial assets	1,565.80	(1,866.52)
Other non financial assets	(556.72)	(103.76)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	691.57	334.71
Other financial liabilities	(10,451.17)	4,675.21
Other non financial liabilities	(450.69)	(431.55)
Other provisions	(26.87)	(115.71)
Net cash flow generated / (used in) operations	3,48,788.58	(1,720.83)
Refund received from income tax		
Net Income tax paid	(6,186.91)	(18,172.06)
Net cash generated / (used in) in operating activities (A)	3,42,601.67	(19,892.89)
B Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	1,008.22	5.70
Purchase of property, plant and equipment	(3,091.20)	(2,311.06)
Purchase of other intangible assets	(2,415.45)	(1,777.72)
Net movement in bank deposits	(1,763.21)	(3,518.08)
Dividend received	12.50	-
Investments	(8,709.81)	(20,476.10)
Interest income on deposits	8,763.71	5,838.66
Net cash flow generated / (used in) from investing activities (B)	(6,195.24)	(22,238.60)

Statement of Cash Flow for the year ended March 31, 2025

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
C Cash flow from financing activities		
Increase in Share Capital	-	412.11
Increase in Security Premium	-	14,587.89
Proceeds from long term borrowings - term loans	4,11,887.81	6,13,687.50
Repayment of long term borrowings - term loans	(6,41,143.53)	(4,09,528.75)
Interest paid on term loans	(83,816.96)	(67,891.73)
Proceeds from long term borrowings - debentures	-	27,500.00
Repayment of long term borrowings - debentures	(55,716.67)	(54,468.50)
Interest paid on debentures	(15,047.18)	(17,250.24)
Interest paid on securitisation	(1,755.14)	(3,931.84)
Repayment of Over Draft	-	(10,018.62)
Interest paid on OD	(1.81)	(127.20)
Repayment of securitisation borrowings	(18,300.17)	(6,673.08)
Proceeds from short term borrowings - commercial paper	-	8,355.00
Repayment of short term borrowings - commercial paper	-	(8,355.00)
Interest paid on Commercial Borrowing	-	(145.01)
Processing and arranger Fee paid	(335.92)	(773.88)
Other interest and charges paid	(2,803.52)	(1,984.67)
Net cash flow generated / (used in) from financing activities (C)	(4,07,033.09)	83,393.98
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(70,626.66)	41,262.49
Cash and cash equivalents at the beginning of the year	96,254.64	54,992.15
Cash and cash equivalents at the end of the year (Refer Note 5)	25,627.98	96,254.64
Cash and cash equivalents as per above comprise of the following		
(a) Cash on hand	974.88	1,343.11
(b) Balances with banks		
- In current accounts	20,895.50	36,634.30
- In deposit accounts - with original maturity of less than 3 months	3,757.60	58,277.23
Balance as per statement of cash flow	25,627.98	96,254.64

Corporate Information and Material Accounting Policies

1-3

The accompanying notes from 1 to 68 form an integral part of the Financial Information

As per our report of even date attached

For A.JOHN MORIS & Co

Chartered Accountants

ICAI Firm Registration No: 007220S

K.V.Sivakumar

Partner

ICAI Membership Number: 027437

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman

(DIN No.00044512)

Rajesh KRN Nambodiripad

Chief Financial Officer

B N Raveendra Babu

Managing Director

(DIN No.00043622)

Aparna Menon

Company Secretary

Date: May 06, 2025

Place: Valapad

Date: May 06, 2025

Place: Valapad

Corporate Overview

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Financial Statements

Statement of changes in equity

for the year ended March 31, 2025

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

A. Equity Share Capital

Particular	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the reporting period	20,028.34	6,264.02
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the current period / year	-	13,764.32
Balance at the end of the reporting period	20,028.34	20,028.34

B. Other Equity

(1) For the Year Period March 31, 2025

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Securities Premium	Statutory Reserve	Capital redemption reserve	ESOP Contribution	General Reserve	Retained Earning (Surplus in statement of profit and loss)	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	
Balance at the beginning of the current reporting period (As at April 01, 2024)	81,113.74	23,657.55	500.00	16.93	141.64	89,695.30	(290.59)	243.85	66.51
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	81,113.74	23,657.55	500.00	16.93	141.64	89,695.30	(290.59)	243.85	66.51
Total Comprehensive Income for the current period	-	-	-	-	-	(63,871.69)	(11.84)	(158.94)	2.98
Issue of share capital	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Transfer To/From	-	-	-	(16.93)	16.93	-	-	-	-
Reversal During the period	-	-	-	-	(4.27)	-	-	-	-
Balance at the end of the current reporting period (As at March 31, 2025)	81,113.74	23,657.55	500.00	(0.00)	154.30	25,823.61	(302.43)	84.91	69.49
									1,31,447.45

Statement of changes in equity

CIN-U65923TN2007PLC064550

(All amounts in ₹ lakhs unless otherwise stated)

(2) For the Year Ended March 31, 2024

Particulars	Reserves and Surplus												
	Securities Premium	Statutory Reserve	Capital redemption reserve	ESOP Contribution	General Reserve	Retained Earning (Surplus in statement of profit and loss)	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related items that will be reclassified)	OCI (Tax related items that will be reclassified)	Total
Balance at the beginning of the current reporting period (As at April 01, 2023)	79,878.05	14,491.48	500.00	53.53	113.78	53,031.00	(42.98)	655.36	0.65	(512.50)	4.16	(35.94)	1,48,136.59
Changes in accounting policy or prior period errors													-
Restated balance at the beginning of the current reporting period	79,878.05	14,491.48	500.00	53.53	113.78	53,031.00	(42.98)	655.36	0.65	(512.50)	4.16	(35.94)	1,48,136.59
Total Comprehensive Income for the current year	-	-	-	0.64	-	45,830.37	(247.61)	(411.51)	(0.10)	241.86	62.35	42.70	45,518.70
Issue of share capital	14,587.91	-	-	-	-	-	-	-	-	-	-	-	14,587.91
Bonus Issue	(13,352.22)	-	-	-	-	-	-	-	-	-	-	-	(13,352.22)
Transfer To/From	-	9,166.07	-	(37.24)	37.24	(9,166.07)	-	-	-	-	-	-	-
Reversal During the Year	-	-	-	-	(9.38)	-	-	-	-	-	-	-	(9.38)
Balance at the end of the current reporting period(As at March 31, 2024)	81,113.74	23,657.55	500.00	16.93	141.64	89,695.30	(290.59)	243.85	0.55	(270.64)	66.51	6.76	1,94,881.60

The accompanying notes from 1 to 68 form an integral part of the Financial Information

This is the statement of changes in equity referred to in our report of even date

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

1 Corporate information

Asirvad Micro Finance Limited was incorporated in August 29, 2007 under the provisions of Companies Act, 1956. The company is registered as a Microfinance Institution under the Non Banking Financial Company-MicroFinanceInstitution(ReserveBank)Directions, 2011 as amended, vide RBI letter dated October 04, 2013 with Registration Number N-07-00769 dated September 27, 2016. The company is a NBFCs - Middle layer (NBFCs - ML). The company's registered address is 9th Floor, No 9, Club House Road, Anna Salai, Chennai - 600002. The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral free loans with fortnightly/monthly repayments. The company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group. In addition to the core business of providing micro-credit, the company also provides secured loans to Micro Small and Medium Enterprise ('MSME') and also provides gold loans.

2 Basis of preparation and presentation of financial information

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

Presentation of Financial Information

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

(ii) Historical cost convention

The financial information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial information have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Critical accounting estimates and judgements

The preparation of financial information in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect

the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

Business model assessment

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Fair value measurements

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

Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions

Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of asset.

3 Summary of material accounting policies

(a) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for

the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the Straight Line Method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. The residual value has been assigned as ₹ 1

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

(b) Investment Property

Initial recognition and measurement

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

(c) Intangible assets

Initial recognition and measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of three years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived based on the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the company demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The company intends to and has sufficient resources to complete the project
- The company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

(d) Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired, Company reverts to calculating interest income on a gross basis. Overdue interest is recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Referral income

Income from cross sale services is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

(e) Finance cost

Finance cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

(f) Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date

and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

(g) Employee benefits

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

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The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

(h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(i) Impairment of financial assets

The Expected Credit Loss (ECL) is being adopted for all products provided by the company

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

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

Notes Forming Part of the Financial Statements

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Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(l) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low

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value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(m) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortized cost
- Fair Value Through Other Comprehensive Income (FVTOCI) or
- Fair Value Through Profit or Loss (FVTPL).

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. Non-performing financial assets are carried at amortised cost in the financial statement.

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

A financial asset is measured at FVTOCI if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets

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- (b) The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost

- (iii) Financial assets carried at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company

continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. If the Company retains the right to service the financial asset for a fee, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Company adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the

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(All amounts in ₹ lakhs unless otherwise stated)

respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there are a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Derivative financial instruments

The Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for, as described below: Cash Flow Hedges
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a

particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

(p) Segment reporting

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

(q) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(r) Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments'

shall not be de-recognized and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

(s) Statement of cash flows

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

4 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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5 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
(a) Cash on hand	974.88	1,343.11
(b) Balances with banks		
- In current accounts	20,895.50	36,634.30
- In deposit accounts - not covered under lien (less than 3 months)	3,757.60	58,277.23
	25,627.98	96,254.64

5.1

	As at March 31, 2025	As at March 31, 2024
Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements	25,627.98	96,254.64

6 Bank balance other than those disclosed in (a) above (Also, refer note 17.1)

	As at March 31, 2025	As at March 31, 2024
Balances with Banks		
- In Deposit Accounts - not covered under lien (3 months & above)	627.25	533.05
- In Deposit Accounts - under lien (Refer note 6.1 below)	38,980.37	36,663.91
	39,607.62	37,196.96

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to ₹ 35,482.06 Lakhs (at March 31, 2024 ₹ 31,317.74 Lakhs) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) ₹ 1,719.66 Lakhs (As at March 31, 2024 ₹ 4,301.56 Lakhs) are placed as credit enhancement (cash collateral) towards PTC transactions.

7(a) Loans (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Loans	7,73,871.67	10,63,019.10
Less : Impairment loss allowance	72,262.45	33,484.36
Total	7,01,609.22	10,29,534.74
(i) Secured		
Loans	1,03,573.74	97,358.70
Less : Impairment loss allowance	862.82	488.21
Sub Total	1,02,710.92	96,870.49
(ii) Unsecured		
Loans	6,70,297.93	9,65,660.40
Less : Impairment loss allowance	71,399.63	32,996.15
Sub Total	5,98,898.30	9,32,664.25
Grand Total	7,01,609.22	10,29,534.74

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7(b) Loans given to staff (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Loans to Staff	-	153.07
	-	153.07

7.1 Particulars	As at March 31, 2025	As at March 31, 2024
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognition as per Ind AS 109. The amounts given are net of minimum retention retained in the books	54,394.43	123,415.19

7.2 Particulars	As at March 31, 2025	As at March 31, 2024
Provisions as per RBI Income Recognition, Asset Classification and Provisioning Norms (IRACP norms)	21,497.53	20,534.29
Provisions as per ECL model under Ind AS 109	72,262.45	33,484.36
Amount recorded in the books	72,262.45	33,484.36

As at March 31, 2025

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	(G) = (D-F)
Performing assets						
Standard	Stage 1	6,51,342.84	14,930.23	6,36,412.61	2,661.18	12,269.05
	Stage 2	50,099.41	9,485.72	40,613.69	206.85	9,278.87
Non Performing Assets (NPA)						
Substandard	Stage 3	65,843.24	43,495.69	22,347.55	15,841.84	27,653.85
Doubtful						
Up to one year	Stage 3	5,002.86	3,304.87	1,697.99	1,881.15	1,423.72
1 to three year	Stage 3	1,440.38	951.51	488.87	767.56	183.95
More than three year	Stage 3	142.94	94.43	48.51	138.95	-44.53
Subtotal for doubtful		6,586.18	4,350.81	2,235.37	2,787.66	1,563.13
Total	Stage 1	6,51,342.84	14,930.23	6,36,412.61	2,661.18	12,269.05
	Stage 2	50,099.41	9,485.72	40,613.69	206.85	9,278.87
	Stage 3	72,429.42	47,846.50	24,582.92	18,629.50	29,216.99
Total		7,73,871.67	72,262.45	7,01,609.22	21,497.53	50,764.91

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(All amounts in ₹ lakhs unless otherwise stated)

As at March 31, 2024

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Difference between IND AS 109 provisions and IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	(G) = (D-F)
Performing assets						
Standard	Stage 1	9,99,063.14	9,931.49	9,89,131.65	4,125.07	5,806.42
	Stage 2	20,097.55	1,264.22	18,833.33	81.84	1,182.38
Non Performing Assets (NPA)						
Substandard	Stage 3	42,318.57	21,431.32	20,887.25	15,407.10	6,024.22
Doubtful						
Up to one year	Stage 3	1,220.57	618.13	602.44	543.32	74.81
1 to three year	Stage 3	373.74	189.27	184.47	278.36	-89.09
More than three year	Stage 3	98.60	49.93	48.67	98.60	-48.67
Subtotal for doubtful		1,692.91	857.33	835.58	920.28	-62.95
Total	Stage 1	9,99,063.14	9,931.49	9,89,131.65	4,125.07	5,806.42
	Stage 2	20,097.55	1,264.22	18,833.33	81.84	1,182.38
	Stage 3	44,011.48	22,288.65	21,722.83	16,327.38	5,961.27
Total		10,63,172.17	33,484.36	10,29,687.81	20,534.29	12,950.07

7.3 The Stage wise break of loans reflected above (Refer Note 7a and 7b) is given below :

(A) As at March 31, 2025

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	5,49,224.40	48,406.72	65,648.15
ii. Loans considered as Non Qualifying Assets	1,03,424.58	2,496.01	4,671.80
Gross Carrying Amount of Loans	6,52,648.99	50,902.72	70,319.96
Less : Impairment loss allowance	14,930.23	9,485.72	47,846.49
Net Loans	6,37,718.75	41,417.00	22,473.46

(B) As at March 31, 2024

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	8,86,521.19	19,637.48	40,658.76
ii. Loans considered as Non Qualifying Assets	1,12,541.95	460.07	3,352.72
Gross Carrying Amount of Loans	9,99,063.14	20,097.55	44,011.48
Less : Impairment loss allowance	9,931.49	1,264.22	22,288.65
Net Loans	9,89,131.65	18,833.33	21,722.83

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

7.4 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at April 01, 2023	25,154.91
Add: Impairment allowance provided in statement of Profit & Loss	46,372.95
Less: Impairment allowance Utilised for writing off Loss assets	16,915.43
Less: Impairment allowance Utilised for portfolio sold to ARC	18,450.26
Less: Impairment allowance provided for receivables from resigned employees	406.18
Less: Impairment allowance provided for other Financial Assets	70.41
Less: Impairment allowance provided for Security deposit	103.06
Less: Impairment allowance provided for Security Receipts	2,098.16
Impairment allowance as at March 31, 2024	33,484.36
Add: Impairment allowance provided in statement of Profit & Loss	1,69,678.42
Less: Impairment allowance Utilised for writing off Loss assets	1,12,763.41
Less: Impairment allowance Utilised for portfolio sold to ARC	13,252.94
Less: Impairment allowance provided for other Financial Assets	62.17
Less: Impairment allowance provided for Security Receipts	4,821.82
Impairment allowance as at March 31, 2025	72,262.45

7.5 Disclosure for securitisation of Standard Assets outstanding as on reporting date as per RBI circular no.DOR.STR.REC.53/21.04.177/2021-22 dated September, 24, 2021.

Particulars	As at March 31, 2025	As at March 31, 2024
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	33	37
b. Through PTC	4	6
Total	37	43
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	55,706.03	121,775.14
b. Through Pass through Certificates	22,070.42	42,033.13
Total	77,776.45	163,808.27
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	6,203.92	13,523.92
Others	-	-
Pass through Certificates	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

7.6 Details of Financial Assets sold to Securitisation Company

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total number of loan assets securitized during the year		
a. Through Direct assignment	1,11,168	5,78,232
b. Through PTC	48,885	1,44,023
	1,60,053	7,22,255
Book value of loan assets securitized during the year		
a. Through Direct assignment	45,468.06	2,12,372.05
b. Through PTC	22,112.26	53,410.70
	67,580.32	2,65,782.75
Sale consideration received during the year		
a. Through Direct assignment	40,921.26	1,91,134.85
b. Through PTC	19,570.46	47,164.27
	60,491.72	2,38,299.12
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised		
a. Through Direct assignment	4,546.81	21,237.21
b. Through PTC	2,541.80	6,246.43
	7,088.60	27,483.64
Gain / (loss) on the securitization transaction recognised in P&L		
Through PTC & Direct assignment	9,140.47	14,250.01
Gain / (loss) on the securitization transactions deferred	-	-
Through PTC & Direct assignment	-	-
	9,140.47	14,250.01
Quantum of Credit Enhancement provided on the transactions in the form of deposits		
a. Through Direct assignment	-	-
b. Through PTC	1,492.76	2,018.40
	1,492.76	2,018.40
Quantum of Credit Enhancement as at year end		
a. Through Direct assignment	4,546.81	21,237.21
b. Through PTC	4,367.36	6,482.39
	8,914.16	27,719.60
Interest spread Recognised in the Statement of Profit and Loss during the Year		
a. Through Direct assignment	9,140.47	14,250.01
b. Through PTC	-	-
	9,140.47	14,250.01

Note : The securitised loans through PTC disclosed in the above notes, i.e 7.5 and 7.6 do not qualify for de-recognition under Ind AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

7.7 No disclosure has been presented as per RBI notification RBI/2019-20/220 DOR, No.BP.DC.63/21.04,048/2020-21 Dated: April 17, 2020; as the balances are Nil.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

8 Investments

	As at March 31, 2025	As at March 31, 2024
Investments at fair value through other comprehensive income		
Outside India		
In India		
(i) Unquoted Equity instruments	5.75	5.75
(ii) Investment in Government Securities	20,674.00	19,487.32
Sub Total	20,679.75	19,493.07
Investments at fair value through Profit or Loss		
Outside India	-	-
In India		
(i) Investment in Security Reciepts	26,336.52	20,477.26
(ii) Investment in Pass Through Certificates	786.60	453.80
Sub Total	27,123.12	20,931.06
Gross Total	47,802.87	40,424.13
Less : Allowance for impairment loss	6,925.73	2,098.00
Total	40,877.14	38,326.13

9 Other financial assets

	As at March 31, 2025	As at March 31, 2024
(a) Security deposits	1,041.12	901.81
(b) Unamortised Income On Direct assignment	1,862.97	6,591.04
(c) Others*	4,960.54	6,334.00
	7,864.63	13,826.85

10 Current tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Advance income tax	8,194.08	2,002.91
	8,194.08	2,002.91

11 (a) Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (net)	27,633.81	10,557.81
	27,633.81	10,557.81

11 (b) Current tax and deferred tax

(i) Income tax expense

Particulars	March 31, 2025	March 31, 2024
(a) Current tax in respect of current year	-	19,448.50
(b) Deferred tax relating to origination and reversal of temporary differences	(17,228.85)	(3,287.96)
(c) Tax relating to earlier year	-	172.57
Total tax expense recognised in statement of profit and loss	(17,228.85)	16,333.11

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	March 31, 2025	March 31, 2024
Profit Before tax from operations	(81,100.54)	62,163.48
Income Tax using the company's domestic Tax rate #	(20,413.01)	15,646.55
Effect of income exempt from tax	-	-
Effect of other permanent differences	161.72	660.90
Effect on utilisation of accumulated losses during the year	-	-
Effect of change in tax rate	-	-
Effect of deferred tax remeasurement	3,022.44	(146.91)
Effect of change in previous year tax amount	-	172.57
Income tax recognised in the statement of profit & loss	(17,228.85)	16,333.11

The tax rate used for the year ended March 31, 2025 and March 31, 2024 reconciliations above are the Corporate tax rate of 22%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income tax on other comprehensive income

Particulars	March 31, 2025	March 31, 2024
Deferred tax		
Remeasurement of defined benefit obligation	(2.98)	(62.32)
Fair value changes on Equity Investment held as FVOCI	(0.00)	(0.03)
Fair value changes on derivatives designated as cash flow hedge (net)	(40.01)	(103.58)
Fair value changes on Other Investment held as FVOCI	191.58	60.88
Total	148.59	(105.05)

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Particulars	For the year ended March 31, 2025				Closing Balance
	Opening Balance	(Charge)/Credit recognised in		Equity	
		Recognised in profit and Loss	Recognised in OCI		
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	342.02	32.13	-	-	374.15
Provision for employee benefits	1,580.91	51.51	2.98	-	1,635.40
Provision for loan receivables	7,860.84	14,885.22	-	-	22,746.05
Provision for fraud insurance claim receivable	491.15	34.75	-	-	525.90
Effective interest rate on borrowings	243.31	382.33	-	-	625.64
Present value discounting of security deposit and documentation fee	1,043.44	220.96	-	-	1,264.40
Effect of implementation of Ind AS 116	573.98	(6.43)	-	-	567.55
Effective interest rate on DA and PTC loans	(1,588.77)	1,628.46	-	-	39.69
ESOP Contribution	4.32	-	-	(4.32)	-
Equity Investment held as FVOCI	(0.14)	-	-	-	(0.14)
Gain / loss on hedge valuation	(61.38)	-	40.01	-	(21.37)
Investment held as FVOCI	68.12	-	(191.59)	-	(123.47)
Total	10,557.81	17,228.93	(148.60)	(4.32)	27,633.81

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2024				
	Opening Balance	(Charge) / Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	145.64	196.38	-	-	342.02
Provision for employee benefits	669.53	849.06	62.32	-	1,580.91
Provision for loan receivables	6,221.52	1,639.32	-	-	7,860.84
Provision for fraud insurance claim receivable	282.40	208.75	-	-	491.15
Effective interest rate on borrowings	85.40	157.91	-	-	243.31
Present value discounting of security deposit and documentation fee	748.66	294.78	-	-	1,043.44
Effect of implementation of Ind AS 116	331.06	242.92	-	-	573.98
Effective interest rate on DA and PTC loans	(1,287.46)	(301.31)	-	-	(1,588.77)
ESOP Contribution	13.54	0.16	-	(9.38)	4.32
Equity Investment held as FVOCI	(0.17)	-	0.03	-	(0.14)
Cash flow hedge Reserve	(164.95)	-	103.58	-	(61.38)
Investment held as FVOCI	129.00	-	(60.88)	-	68.12
Total	7,174.16	3,287.97	105.05	(9.38)	10,557.81

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars	Investment Property - Land	Property, plant and equipment					Right of use asset	Other intangible assets- Softwares	Intangible assets under development
		Computers	Furnitures & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Freehold Land	Building	Total
Gross block									
As at March 31, 2023	8.64	4,395.51	4,405.01	405.65	3,366.23	82.26	-	-	12,654.66
Additions		748.98	680.78	30.42	630.58	-	93.44	126.86	2,311.07
Disposals		(0.37)	(2.64)	-	(2.69)	-	-	-	(5.70)
As at March 31, 2024	8.64	5,144.12	5,083.15	436.07	3,994.12	82.26	93.44	126.86	14,960.02
Additions		733.62	838.06	134.35	1,003.75	-	356.93	24.49	3,091.20
Disposals		(801.55)	(38.06)	-	(159.18)	(9.44)	-	-	(1,008.23)
As at March 31, 2025	8.64	5,076.19	5,883.15	570.42	4,838.69	72.82	450.37	151.35	17,042.99
Accumulated depreciation/amortisation:									
As at March 31, 2023	-	2,904.54	1,367.97	209.63	1,091.86	68.75	-	-	5,642.75
Depreciation/Amortisation expense		749.54	382.18	50.19	465.91	4.05	-	0.56	1,652.43
Eliminated on Disposal of Assets		(0.37)	(2.63)	-	(2.42)	-	-	-	(5.42)
Depreciation Adjustments		-	-	-	-	-	-	-	-
As at March 31, 2024	-	3,653.71	1,747.52	259.82	1,555.35	72.80	-	0.56	7,289.76
Depreciation/Amortisation expense		994.92	439.09	63.64	612.59	3.34	-	6.22	2,119.80
Eliminated on Disposal of Assets		(801.10)	(37.47)	-	(120.27)	(9.44)	-	-	(968.28)
Depreciation Adjustments		-	-	-	-	-	-	-	-
As at March 31, 2025	-	3,847.53	2,149.14	323.46	2,047.67	66.70	-	6.78	8,441.28
Net block									
As at March 31, 2024	8.64	1,490.41	3,335.63	176.25	2,438.77	9.46	93.44	126.30	7,670.26
As at March 31, 2025	8.64	1,228.66	3,734.01	246.96	2,791.02	6.12	450.37	144.57	8,601.71

Also refer Note 55 for Intangible Assets Under Development

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

13 Other non financial assets

	As at March 31, 2025	As at March 31, 2024
(a) Goods & service tax credit (input) receivable	953.64	428.58
(b) Prepaid expenses	983.17	896.00
(c) Capital advances	-	11.17
(d) Opex advances	-	43.41
(e) Others	1.85	2.78
	1,938.66	1,381.94

14 Derivative financial instruments (Also, refer note 42.14)

	As at March 31, 2025	As at March 31, 2024
Currency derivatives		
Cross Currency Interest rate swap		
- Notional Amount (Respective Currency converted at closing exchange rate)		
- Fair Value Asset	1,118.24	1,356.72
- Fair Value Liabilities	-	-
Total Notional	7,702.33	10,004.88
Total Fair Value Assets	1,118.24	1,356.72
Total Fair Value Liabilities	-	-

Note: All the above derivative instruments are held for hedging and risk management purpose

15 Other payables

	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises (Also, refer note 40)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (Also, refer note no 54 for trade payables ageing)	2,813.10	2,121.53
	2,813.10	2,121.53

There are no dues payable as at March 31,2025 and March 31, 2024 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

16 Debt securities (At amortised cost)

	As at March 31, 2025	As at March 31, 2024
(a) Redeemable non-convertible debentures		
- Secured	2,485.04	60,824.87
- Unsecured*	1.84	1,164.20
(b) Commercial papers (Unsecured) (Refer Note 17.3)	-	-
	2,486.87	61,989.07
(i) Debt securities in India	2,486.87	61,989.07
(ii) Debt securities outside India	-	-
Also, refer note 17.4	2,486.87	61,989.07

* ₹ 1.84 Lakhs as on March 31, 2025 is the amount of unclaimed debentures lying in the Escrow Account

17 Borrowings (other than debt securities) (At amortised cost)

	As at March 31, 2025	As at March 31, 2024
(a) Secured		
- Term loan from banks	5,87,419.70	7,98,760.81
- Term loan from NBFCs	13,457.98	26,788.30
- Other financial institutions	7,601.26	9,828.53
	6,08,478.94	8,35,377.64
(b) Unsecured		
- Term loan from NBFCs	-	1,997.08
(c) Borrowings under securitisation arrangement	17,895.78	36,195.95
	6,26,374.72	8,73,570.67
Borrowings in India	6,18,773.46	8,63,742.14
Borrowings outside India	7,601.26	9,828.53
	6,26,374.72	8,73,570.67

17.1 Security on term loans from banks and others (Also, refer note 6)

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

	As at March 31, 2025	As at March 31, 2024
(a) Deposits with Banks & Others	38,980.37	36,663.91
(b) Deposits with NBFCs	-	-
	38,980.37	36,663.91

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

17.2 Details of cash credit from bank - Secured

- (a) The cash credit facility is secured by hypothecation of Microfinance Loans
- (b) The Company has not defaulted in the repayment of dues to Banks and NBFC's.
- (c) The details of interest rate, tenor, repayment terms of the Short Term Borrowings are as follows:

Particulars	Interest Rate	March 31, 2025	March 31, 2024
Cash Credit	8.70%	-	600.00

17.3 (i) Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	March 31, 2025	March 31, 2024
-	-	-	-	-

(ii) Details of commercial paper issued/repaid during the current year ended March 31, 2025

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
-	-	-	-

Details of commercial paper issued/repaid during the current year ended March 31, 2024

Particulars	Tenor (Days)	Discount Rate (per annum)	Date of Transaction
Northern Arc Money Market Alpha Trust (Repaid)	67	8.65%	24-04-2023
Super Auto Forge Private Limited (Repaid)	91	8.30%	22-11-2023
Venkatesh Ramarathinam (Repaid)	91	8.30%	22-11-2023

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

17.4 Details of terms of repayment- Debentures and subordinated liabilities

ISIN No	Type of NCD	No. of Debentures As at		Face value	Interest rate	Due date of redemption	Closing balance As at*	
		March 31, 2025	March 31, 2024				March 31, 2025	March 31, 2024
INE516Q08331	Sub Debt	10,000	10,000	1,00,000.00	11.90%	26-Jun-26	10,000.00	10,000.00
INE516Q08372	Sub Debt	5,000	5,000	1,00,000.00	13.50%	31-Dec-27	5,000.00	5,000.00
INE516Q08380	Sub Debt	550	550	10,00,000.00	13.50%	31-May-27	5,500.00	5,500.00
INE516Q08398	Sub Debt	100	100	1,00,00,000.00	11.25%	3-Oct-28	10,000.00	10,000.00
INE516Q08406	Sub Debt	50	50	1,00,00,000.00	11.25%	25-Nov-28	5,000.00	5,000.00
INE516Q08414	Sub Debt	2,500	2,500	1,00,000.00	11.25%	31-Mar-29	2,500.00	2,500.00
INE516Q08422	Sub Debt	15,000	15,000	1,00,000.00	11.25%	16-May-29	15,000.00	15,000.00
INE516Q08430	Sub Debt	10,000	10,000	1,00,000.00	11.25%	7-Jul-30	10,000.00	10,000.00
INE516Q07465	Other Than Sub Debt	2,500	2,500	1,00,000.00	9.30%	20-Jan-26	2,500.00	2,500.00
INE516Q07382	Other Than Sub Debt	-	500	7,50,000.00	9.75%	30-Mar-25	-	3,750.00
INE516Q08356	Other Than Sub Debt	-	350	3,33,333.00	11.40%	31-Dec-24	-	1,166.67
INE516Q07416	Other Than Sub Debt	-	730	10,00,000.00	11.05%	27-Feb-25	-	7,300.00
INE516Q07424	Other Than Sub Debt	-	1,450	10,00,000.00	11.05%	15-Sep-26	-	14,500.00
INE516Q07432	Other Than Sub Debt	-	750	10,00,000.00	9.70%	9-May-24	-	7,500.00
INE516Q07440	Other Than Sub Debt	-	1,000	10,00,000.00	9.60%	12-Sep-24	-	10,000.00
INE516Q07457	Other Than Sub Debt	-	1,150	10,00,000.00	8.50%	28-Sep-24	-	11,500.00

*Principle Outstanding as per IGAAP

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

17.5 Details of terms of repayment - term loans from bank and others

As at year ended March 31, 2025

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above 5 years	
			No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*
1 to 3 year	2 Equal installment	9%-11%	1	6,000.00	1	6,000.00	-	-	-	-	-	-	-	-
	Monthly	7%-9%	-	-	1	25,000.00	-	-	-	-	-	-	-	-
		9%-11%	2	2,500.00	-	-	-	-	-	-	-	-	-	-
		7%-9%	17	4,791.67	7	2,187.50	-	-	-	-	-	-	-	-
Above 3 year	Quarterly	9%-11%	463	1,61,621.04	135	45,467.25	9	3,833.33	-	-	-	-	-	-
		11%-13.5%	5	3,350.00	-	-	-	-	-	-	-	-	-	-
	Half yearly	9%-11%	193	2,23,499.02	59	61,158.60	11	9,757.00	-	-	-	-	-	-
		11%-13.5%	4	8,400.00	4	2,400.00	4	2,400.00	-	-	-	-	-	-
		9%-11%	2	200.00	2	200.00	2	200.00	2.00	200.00	-	-	-	-
Above 3 year	Monthly	9%-11%	4	2,545.45	2	1,272.73	-	-	-	-	-	-	-	-
		9%-11%	4	6,000.00	4	6,000.00	4	6,000.00	4.00	4,800.00	1.00	1,200.00	-	-
	Bullet	9%-11%	2	2,800.00	2	2,800.00	2	2,800.00	2.00	2,800.00	-	-	-	-

*Principle Outstanding as per IGAAP

As at year ended March 31, 2024

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above 5 years	
			No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*	No. of Instalments	Amount*
1 to 3 year	Bullet	7%-9%	-	-	-	-	1	25,000.00	-	-	-	-	-	-
		9%-11%	2	2,000.00	1	1,000.00	-	-	-	-	-	-	-	-
	Monthly	5%-7%	12	5,806.28	-	-	-	-	-	-	-	-	-	-
		7%-9%	20	3,833.33	5	1,041.67	-	-	-	-	-	-	-	-
		9%-11%	595	2,10,044.27	289	1,06,657.17	42	14,926.50	-	-	-	-	-	-
Above 3 year	Quarterly	11%-13.5%	38	12,542.31	5	3,350.00	-	-	-	-	-	-	-	-
		9%-11%	211	2,34,941.46	113	1,27,235.54	15	15,276.00	-	-	-	-	-	-
	Half Yearly	11%-13.5%	4	1,666.67	-	-	-	-	-	-	-	-	-	-
		11%-13.5%	4	4,225.00	-	-	-	-	-	-	-	-	-	-
		9%-11%	4	2,545.45	4	2,545.45	2	1,272.73	-	-	-	-	-	-
Above 3 year	Monthly	9%-11%	8	8,223.00	8	8,223.00	8	8,223.00	8	8,223.00	4	4,800.00	1	1,200.00
		9%-11%	4	8,400.00	4	8,400.00	4	2,400.00	4	2,400.00	-	-	-	-
	Half Yearly	9%-11%	2	200.00	2	200.00	2	200.00	2	200.00	2	200.00	-	-

*Principle Outstanding as per IGAAP

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

17.6 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt)	Commercial Paper	Total*
April 01, 2023	1,57,213.52	6,75,010.36	-	8,32,223.88
Proceeds	27,500.00	6,13,687.50	8,355.00	6,49,542.50
Repayment	(54,468.50)	(4,09,528.75)	(8,355.00)	(4,72,352.25)
Interest expense	16,058.72	67,820.37	145.01	84,024.10
Interest & Transaction cost paid	(17,250.24)	(67,891.73)	(145.01)	(85,286.98)
Fair Value Changes	-	-	-	-
March 31, 2024	1,29,053.50	8,79,097.75	-	10,08,151.25
Proceeds	-	4,11,887.81	-	4,11,887.81
Repayment	(55,716.67)	(6,41,143.53)	-	(6,96,860.20)
Interest expense	3,066.74	83,490.02	-	86,556.76
Interest & Transaction cost paid	(15,047.18)	(83,816.96)	-	(98,864.14)
Fair Value Changes	-	-	-	-
March 31, 2025	61,356.39	6,49,515.09	-	7,10,871.48

*Borrowings Outstanding as per IGAAP

18 Subordinated liabilities

	As at March 31, 2025	As at March 31, 2024
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	64,959.13	65,130.40
	64,959.13	65,130.40

19 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
(a) Interest payable on assets assigned	4,017.78	4,172.84
(b) Lease liabilities (Also, refer note 34)	12,373.13	12,661.33
(c) Other payables	10,111.11	13,843.61
	26,502.02	30,677.78

20 (a) Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Provision for taxation (net)	-	-
	-	-

20 (b) Provisions (Also, refer note 35)

	As at March 31, 2025	As at March 31, 2024
(a) Provision for compensated absences	671.49	590.76
(b) Provision for gratuity	493.38	589.14
	1,164.87	1,179.90

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

21 Other non financial liabilities

	As at March 31, 2025	As at March 31, 2024
(a) Statutory dues payable	1,017.93	1,468.62
(b) Other payables	-	-
	1,017.93	1,468.62

22 Equity share capital

	As at Mar 31, 2025	As at March 31, 2024
Authorised*		
30,00,00,000.00 equity shares of ₹ 10/- each*	30,000.00	30,000.00
Issued, subscribed and paid up**		
20,02,83,372 shares of ₹ 10/- each	20,028.34	20,028.34

For each class of equity share capital:	No of equity share	Amount(Equity share) (in ₹ Lakhs)	Remarks
(a) the number and amount of shares authorized*	30,00,00,000	30,000.00	
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;	20,02,83,372	20,028.34	
(c) par value per share (₹ 10)	-	-	
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;	Details given in Note 1	Details given in Note 1	
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	NA	NA	There is only one class as Equity share. The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.
(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;	19,54,85,619	19,548.56	As on March 31, 2025 Holding company is Manappuram Finance Limited(Details given as Note 2)
(g) shares in the company held by each shareholder holding more than five percent shares specifying the number of shares held;	19,54,85,619	19,548.56	As on March 31, 2025 Holding company is Manappuram Finance Limited(Details given as Note 2)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

For each class of equity share capital:	No of equity share	Amount(Equity share) (in ₹ Lakhs)	Remarks
(h) shares reserved for issue under options and contracts/ commitments for the sale of shares or disinvestment, including the terms and amounts;	NA	NA	
(i) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:			
• Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	NA	NA	
• Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and**	NA	NA	
• Aggregate number and class of shares bought back;	NA	NA	
(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;	NA	NA	
(k) calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	NA	NA	
(l) forfeited shares (amount originally paid up)	NA	NA	
(m) An NBFC shall disclose information that enables users of its financial statements to evaluate the NBFC's objectives, policies and processes for managing capital.	NA	NA	

*During the year ended March 31, 2024, the authorized preference share capital was sub-divided from 10,00,000 Preference Shares of ₹ 100 each to 1,00,00,000 Preference Shares of ₹ 10 each. Further the Company reclassified 1,00,00,000 Preference Shares of ₹ 10 each to 1,00,00,000 Equity Shares of ₹ 10 each and during the year ended March 31, 2024, the authorized equity share capital was increased from 10,00,00,000 equity shares of ₹ 10 each amounting to ₹ 10,00,00,00,000 Lakhs to 30,00,00,00,000 equity shares of ₹ 10 each amounting to ₹ 30,00,00,00,000 Lakhs which was duly approved by the board in meeting dated August 16, 2023 and by the shareholders of the Company by means of an ordinary resolution dated August 18, 2023.

**i) The Board of Directors at their meeting held on June 14, 2023 approved rights issue of 41,20,879 equity shares of ₹ 10/- each at a premium of ₹ 354/- per share amounting to ₹ 149,99,99,956/- which was allotted at the Board Meeting held on June 30, 2023.

ii) Post increase of the existing authorised share capital of the company, the Board of Directors at its meeting held on August 16, 2023 had approved the bonus issue of two for every one share held on record date which was approved by the shareholders by means of a special resolution dated August 18, 2023. Through a Board resolution dated August 26, 2023, the Company has allotted 13,35,22,248 equity shares of ₹ 10 each as bonus shares to the existing equity shareholders of the Company.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

A company shall disclose Shareholding of Promoters** as below:

Shares held by promoters at the end of the year			% Change during the year***
Promoter name	No. of Shares*	% of total shares	
Manappuram Finance Limited	19,54,85,619	97.60%	0.00%
Mr. V.P Nandakumar	7,78,209	0.39%	0.00%

* Details shall be given separately for each class of shares

** Pursuant to Board Resolution dated September 22, 2023, based on the current operations and management of the Company and the provisions of the Companies Act, SEBI Regulations and other applicable laws, Manappuram Finance Limited has been identified as the promoter of the Company.

Pursuant to Board Resolution dated February 13, 2024, based on the current operations and management of the Company and the provisions of the Companies Act, SEBI Regulations and other applicable laws, Mr. V.P Nandakumar has been identified as the individual promoter of the Company."

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Note 1

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at March 31, 2025		As at March 31, 2024	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	20,02,83,372	20,028.34	6,26,40,245	6,264.02
Issued during the year	-	-	13,76,43,127	13,764.32
Outstanding at the end of the period/year	20,02,83,372	20,028.34	20,02,83,372	20,028.34

Note 2

Class of shares / Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of ₹ 10 each Manappuram Finance Limited (the Holding Company)	19,54,85,619	97.60%	19,54,85,619	97.60%

* No. of shares are in absolute numbers

Note 3 Terms / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Employees Stock Option Scheme (ESOS) (Also, refer note no 52) :

During the year ended March 31, 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from July 01, 2019 ("Relevant Date"). Accordingly 8,30,000 options were issued with a graded vesting period and no options are outstanding as at March 31, 2025.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

23 Other equity

	As at March 31, 2025	As at March 31, 2024
(a) Capital redemption reserve	500.00	500.00
(b) ESOP Contribution	-	16.93
(c) Statutory reserve	23,657.55	23,657.55
(d) Securities premium account	81,113.74	81,113.74
(e) General reserve	154.30	141.64
(f) Retained Earning (Surplus in statement of profit and loss)	25,823.61	89,695.30
(g) Remeasurement Gain/Loss On Defined Benefit Obligation	(302.43)	(290.59)
(h) OCI(Effective portion of cash flow hedge)	84.91	243.85
(i) Equity Investments Fair valued through other comprehensive income	0.55	0.55
(j) Other Investments Fair valued through other comprehensive income	490.54	(270.64)
(k) OCI(Tax related to items that will not be reclassified)	69.49	66.51
(l) OCI(Tax related to items that will be reclassified)	(144.81)	6.76
	1,31,447.45	1,94,881.60

(a) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

(b) ESOP Contribution

Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(c) Statutory reserve

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve on the financial information.

(d) Securities Premium Account

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

(e) General reserve

General reserve represents an appropriation of profits by the Company.

(f) Retained Earning (Surplus in statement of profit and loss)

Surplus in statement of profit and loss represents the surplus in Profit and Loss Account and appropriations.

(g) Other comprehensive income (OCI) - Remeasurement Gain/ Loss On Defined Benefit Obligation

Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability.

(h) OCI (Effective portion of cash flow hedge)

Represents remeasurement of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(i) Equity Investments Fair valued through other comprehensive income

Represents the change in equity investments which is fair value through OCI

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

(j) Other Investments Fair valued through other comprehensive income

Represents the change in other investments which are fair value through OCI

(k) OCI (Tax related to items that will not be reclassified)

Represents the tax relating to items that will not be reclassified

(l) OCI (Tax related to items that will be reclassified)

Represents the tax relating to items that will be reclassified

	As at March 31, 2025	As at March 31, 2024
(a) Capital redemption reserve		
Opening balance	500.00	500.00
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	500.00	500.00
(b) ESOS Contribution (Refer Note No. 52)		
Opening balance	16.93	53.53
Add/(Less) : (Reversal)/Contribution during the year	-	0.64
Less : Adjustment for Forfeiture and Expiration	(16.93)	(37.24)
Less : Utilised during the year	-	-
Closing balance	-	16.93
(c) Statutory reserve		
Opening balance	23,657.55	14,491.48
Add: Additions during the year (Also, refer note no 50)	-	9,166.07
Less: Utilised / transferred during the year	-	-
Closing balance	23,657.55	23,657.55
(d) Securities premium account		
Opening balance	81,113.74	79,878.05
Add : Premium on shares issued during the year	-	14,587.91
Less : Utilised during the year	-	(13,352.22)
Closing balance	81,113.74	81,113.74
(e) General reserve		
Opening balance	141.64	113.78
Add: Transferred from surplus in statement of profit and loss	-	-
Less: Utilised / transferred during the year	-	-
Add : Adjustment for Forfeiture and Expiration ESOP	16.93	37.24
Less: Adjustment for Deferred Tax	(4.27)	(9.38)
Closing balance	154.30	141.64
(f) Retained Earning (Surplus in statement of profit and loss)		
Opening balance	89,695.30	53,031.00
Add / (Less) : Profit for the year	(63,871.69)	45,830.37
Less: Restatement Impact	-	-
Less: Transfer to Statutory Reserve	-	(9,166.07)
Closing balance	25,823.61	89,695.30
(g) Remeasurement Gain/Loss On Defined Benefit Obligation		
Opening balance	(290.59)	(42.98)
Add / (Less): Effect for the year	(11.84)	(247.61)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Less: Transfer to Statutory Reserve	-	-
Closing balance	(302.43)	(290.59)
(h) OCI (Effective portion of cash flow hedge)		
Opening balance	243.85	655.36
Add / (Less): Effect for the year	(158.94)	(411.51)
Closing balance	84.91	243.85
(i) Equity Investments Fair valued through other comprehensive income		
Opening balance	0.55	0.65
Less: Effect for the year	-	(0.10)
Closing balance	0.55	0.55
(j) Investments Fair valued through other comprehensive income		
Opening balance	(270.64)	(512.50)
Less: Effect for the year	761.18	241.86
Closing balance	490.54	(270.64)
(k) OCI (Tax related to items that will not be reclassified)		
Opening balance	66.51	4.16
Less: Effect for the year	2.98	62.35
Closing balance	69.49	66.51
(l) OCI (Tax related to items that will be reclassified)		
Opening balance	6.76	(35.94)
Less: Effect for the year	(151.57)	42.70
Closing balance	(144.81)	6.76
Total	1,31,447.45	1,94,881.60

24 (a) Interest income (at Amortised Cost)

	Year ended March 31, 2025	Year ended March 31, 2024
(i) Interest income from loan:		
- Interest on loan- microfinance loans	2,26,349.90	2,26,855.05
- Interest on loan- MSME & Gold loans	24,125.83	18,714.93
(ii) Interest on deposits with banks and financial institutions	9,411.16	5,838.77
(iii) Other interest income	-	-
	2,59,886.89	2,51,408.75

24 (b) Net gain on derecognition of financial instruments under amortised cost category

	Year ended March 31, 2025	Year ended March 31, 2024
Net gain on derecognition of financial instruments under amortised cost category	9,140.47	14,250.01
	9,140.47	14,250.01

24 (c) Dividend income and gain on sale of mutual fund

	Year ended March 31, 2025	Year ended March 31, 2024
Dividend income	12.50	-
	12.50	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

25 Other operating income

	Year ended March 31, 2025	Year ended March 31, 2024
Loss assets recovered	1,502.94	2,472.68
	1,502.94	2,472.68

26 Other income

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Referral fees	917.42	4,568.55
(b) Gain on sale of investments classified as FVOCI	13.50	-
(c) Miscellaneous income	1,965.26	494.20
	2,896.18	5,062.75

27 Finance cost

	Year ended March 31, 2025	Year ended March 31, 2024
Finance cost on financial liability measured at amortised cost		
(a) Interest on borrowings		
- Term Loans from banks	83,905.61	65,567.85
- Term Loans from NBFCs	2,327.81	3,992.06
- Borrowings under securitisation arrangement	1,755.14	3,971.07
- Other financial institutions	-	580.00
- Commercial paper	-	146.64
- Overdraft	1.81	127.20
(b) Interest on debt securities		
- Debentures & subordinated liabilities	11,090.38	16,881.43
(c) Other interest expense		
- Interest on finance lease obligations	1,541.74	1,490.40
(d) Other Borrowing Costs		
- Loan processing fees	28.15	167.87
- Bank charges	2,775.38	1,816.80
	1,03,426.01	94,741.32

28 Impairment of financial instruments (Also, refer note 7.4)

	Year ended March 31, 2025	Year ended March 31, 2024
Loans	1,64,814.65	43,695.14
Investments	4,827.57	2,098.16
Other Financial Assets	36.20	579.65
	1,69,678.42	46,372.95
Less : Exceptional item	-	-
	1,69,678.42	46,372.95

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

29 Employee benefit expenses

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Salaries and wages	51,919.27	44,544.26
(b) Contributions to provident and other funds	4,520.38	3,924.92
(c) Gratuity expenses (Also, refer note 35)	669.66	576.24
(d) Staff welfare expenses	(829.02)	(207.35)
(e) ESOP Expenses (Refer Note No. 52)	-	0.64
	56,280.29	48,838.71

30 Depreciation and amortisation expense (Also, refer note 12)

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Depreciation of tangible assets	2,119.81	1,652.43
(b) Amortization of other intangible assets	541.05	529.26
(c) Amortization of right of use asset	3,059.20	2,894.55
	5,720.06	5,076.24

31 Other expenses

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Electricity	507.67	509.24
(b) Rent (Also, refer note 34)	667.07	331.17
(c) Repairs and maintenance	338.66	132.67
(d) Insurance	1,322.78	1,015.32
(e) Rates and taxes	351.29	287.38
(f) Communication expenses	1,371.65	1,090.84
(g) Travel and conveyance	6,512.29	5,851.40
(h) Printing and stationery	596.42	572.62
(i) Directors' sitting fees	83.31	71.66
(j) Business promotion	282.68	465.81
(k) CSR expenses (Also, refer note 48)	635.74	241.63
(l) Legal and professional fees	2,369.16	1,314.68
(m) Provision for insurance claim receivable	(229.93)	(82.67)
(n) Subscription charges	119.52	81.81
(o) Software costs (Also, refer note 36)	2,836.96	2,202.39
(p) Security charges	27.28	25.31
(q) House keeping expenses	232.31	231.07
(r) Office expenses	144.92	696.46
(s) Directors commission (Also, refer note 36)	177.67	183.97
(t) Loss on sale of property, plant & equipment	-	-
(u) Payments to statutory auditors' (net of input tax credit)		
- Statutory audit	26.95	26.95
- Tax audit	2.73	2.73
- Other services (Limited Review, Interim Audit and Certification)	11.28	11.28
- Out of pocket expenses	64.03	31.16
(v) Miscellaneous expenses	982.30	706.61
	19,434.74	16,001.49

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

32 Segment reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. Microfinance Loans. The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions and are identified as being the CODM. The allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations and no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

33 Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Net Profit attributable to Equity Shareholders - ₹ in Lakhs (Basic and Diluted)	(63,871.69)	45,830.37
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)*	20,02,83,372.00	19,72,43,379.30
(c) Earnings per share - Basic ₹ (Per equity share, face value ₹ 10/- each)	(31.89)	23.24
(d) Weighted average number of equity shares in calculating Diluted Earnings Per Share (Nos.)*	20,02,83,372.00	19,72,47,091.42
(e) Earnings per share - Diluted - ₹ (Per equity share, face value ₹ 10/- each)	(31.89)	23.24

* The Board of directors of the Company at its meeting held on August 16, 2023, considered and approved issue of 2 bonus equity shares of face value of ₹ 10/- each against 1 equity share of the face value of ₹ 10 each. The shareholders in their meeting held on August 18, 2023, have approved the issue of bonus shares and through a Board resolution dated August 26, 2023, the Company has allotted equity shares as bonus shares to the existing equity shareholders of the Company. The Company has adjusted earning per share for all the periods presented as per Ind AS 33. The impact of bonus shares on the rights issue is considered from the date when the shares under rights issue were allotted.

34 Leases

Details of Income/Expense recognised in the statement of Profit and Loss :

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expense on right-of-use assets	3,059.20	2,894.55
Interest expense on lease liabilities	1,541.74	1,490.40
Total cash outflow for leases	3,825.13	3,342.17
Lease expense on Low Value Assets / Short term assets	667.07	331.17
	9,093.15	8,058.29

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

	Year ended March 31, 2025	Year ended March 31, 2024
Year 1	3,050.73	1,108.32
Year 2	2,542.50	1,916.75
Year 3	1,773.70	1,661.92
Year 4	1,466.58	2,876.78
Year 5	6,996.74	3,291.49

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

35 Employee benefits

35.1 Defined contribution plan

- (a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- (b) Expenses recognised

	Year ended March 31, 2025	Year ended March 31, 2024
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)		
Contributions to provident and pension funds	3,543.62	3,055.62
Contributions to Employee State Insurance	976.76	869.30
	4,520.38	3,924.92

35.2 Compensated absences

Expenses recognised

	Year ended March 31, 2025	Year ended March 31, 2024
Included under salaries and wages (Refer Note 29)	288.26	186.74
	288.26	186.74

	Year ended March 31, 2025	Year ended March 31, 2024
Current portion	237.98	205.63
Non - current portion	433.51	385.13
Net liability/(asset) recognised in the balance sheet	671.49	590.76

The key assumptions used in the computation of provision for compensated absences are as given below:

	As at March 31, 2025	As at March 31, 2024
Discount Rate (% p.a)	6.40%	6.90%
Future Salary Increase (% p.a)	10.00%	10.00%
Attrition Rate		
(i) below 35 years	35.00%	35.00%
(ii) above 35 years	30.00%	20.00%

35.3 Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

	As at March 31, 2025	As at March 31, 2024
Amounts recognised in statement of profit & loss		
Service cost		
- Current service cost	645.90	544.66
- Past service cost	-	-
- Net interest expense	23.76	31.58
Components of defined benefit costs recognised in statement of profit or loss (A)	669.66	576.24
Amounts recognised in statement of other comprehensive income		
Actuarial (gain)/loss on Plan Obligations	83.50	298.06
Difference between actual return and interest income on plan assets- (gain)/loss	(71.66)	(50.45)
Components of defined benefit costs recognised in other comprehensive income (B)	11.84	247.61
Total	681.50	823.85

- (i) The current service cost and interest expense for the year are included in the Note 29 - Employee benefit expenses in the statement of profit & loss under the line contribution to provident and other funds.
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (iii) The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit credit method.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	3,229.65	2,784.35
Fair value of plan assets	2,736.27	2,195.21
Net (Liability) recognised in the balance sheet	(493.38)	(589.14)
Current portion of the above	-	-
Non current portion of the above	(493.38)	(589.14)
	(493.38)	(589.14)

(c) Movement in the present value of the defined benefit obligation are as follows :

	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation at the beginning of the year	2,784.35	2,455.44
Expenses recognised in profit and loss account		
- Current Service cost	645.90	544.66
- Past Service Cost	-	-
- Interest expense (income)	192.12	174.34
Remeasurement gains / (losses)	-	-
- Effect of Changes in Demographic assumptions	(80.89)	-
- Effect of Changes in financial assumptions	56.26	41.11
- Effect of experience adjustments	108.13	256.95
Benefit payments	(500.13)	(884.72)
Effect of transfer of employees from Holding Company	23.91	196.57
Present value of defined benefit obligation at the end of the year	3,229.65	2,784.35

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

- (i) The weighted average duration of the benefit obligation at March 31, 2025 is 2 years (at March 31, 2024 is 2.5 years)

(d) Movement in fair value of plan assets are as follows :

	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	2,195.21	1,873.93
expenses recognised in profit and loss account		
- Expected return on plan assets	168.36	142.76
Remeasurement gains / (losses)	-	-
- Actuarial gains/(loss) arising from changes in financial assumptions	71.66	50.45
Contributions by employer (including benefit payments recoverable)	777.26	816.22
Benefit payments	(500.13)	(884.72)
Effect of transfer of employees from Holding Company	23.91	196.57
Fair value of plan assets at the end of the year	2,736.27	2,195.21

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows :

	As at March 31, 2025	As at March 31, 2024
Investment funds with insurance company (Life Insurance Corporation of India)	2,736.27	2,195.21

- (i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.
- (ii) The actual return on plan asset as for the year ended March 31, 2025 was ₹ 240.02 Lakhs (for the year ended March 31, 2024 was ₹ 193.21 Lakhs)

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.40%	6.90%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate		
(i) below 35 years	35.00%	35.00%
(ii) above 35 years	30.00%	20.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

- The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.
- The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.
- In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversified.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Risks associated with plan provisions

Investment risk:

The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest risk:

A decrease in the yield of Indian government securities will increase the plan liability.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

Sensitivity analysis:

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	As at March 31, 2025	As at March 31, 2024
(a) Discount rate		
- Increase by 50 bps	(55.35)	(57.68)
- Decrease by 50 bps	59.19	62.33
(b) Salary growth rate		
- Increase by 50 bps	56.66	59.93
- Decrease by 50 bps	(54.07)	(56.59)
(c) Withdrawal rate		
- Increase by 50 bps	(19.68)	(18.03)
- Decrease by 50 bps	20.50	19.04
(d) Mortality rate		
- Increase in Expected life time by one year	0.15	0.20
- Increase in Expected life time by three years	0.45	0.60

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

(g) Effect of plan on entity's future cash flows

- (i) The Company expects to make a contribution of ₹ 800 Lakhs during FY 2025-26.
- (ii) The weighted average duration of the benefit obligation at March 31, 2025 is 2 years (at March 31, 2024 is 2.5 years)
- (iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

	As at March 31, 2025	As at March 31, 2024
Within 1 year	800.00	800.00
1 to 5 years	N/A	N/A
More than 5 years	N/A	N/A

Experience Adjustments

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	3,229.65	2,784.35
Fair value of plan assets	2,736.27	2,195.21
Surplus/(deficit)	(493.38)	(589.14)
Experience adjustment on plan liabilities [(Gain)/Loss]	(83.50)	(298.06)
Experience adjustment on plan assets [Gain/(Loss)]	71.66	50.45

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

36 Related party transactions

36.1 Names of related parties and nature of relationship

Nature of relationship	Name of the party
Key Management Personnel (KMP) of the company	Mr. V P Nandakumar - Chairman*
	Mr. B N Raveendra Babu - Managing Director
	Mr. S V Raja Vaidyanathan - Non Independent Director
	Mr. Gautam Rathindranath Saigal - Non Independent Director
	Mr. Abhijit Sen - Independent Director
	Mr. Desh Raj Dogra - Independent Director
	Mr. Subrata Kumar Atindra Mitra - Independent Director
	Mr. T Balakrishnan - Independent Director
	Ms. Pushya Sitaraman - Independent Director
	Mr. Harshan Kollara - Independent Director
	Ms. Anita Belani - Independent Director
	Mr. A Ramanathan - Independent Director (upto November 30, 2023)
	Mr. Rajesh KRN Namboodiripad - Chief Financial Officer
	Ms. Aparna Menon - Company Secretary
	Mr. Satish C K Kutty Nair (w.e.f June 03, 2024 till July 27, 2024)
Holding company	Manappuram Finance Limited
Key Management Personnel (KMP) of the holding company	Ms. Sumitha Nandan - Executive Director of Manappuram Finance Limited*
	Ms. Bindu A L - Chief Financial Officer of Manappuram Finance Limited*
	Mr. Manoj Kumar V R - Company Secretary of Manappuram Finance Limited*
Group Entities	Manappuram Comptech and Consultants Limited
	Manappuram Insurance Brokers Limited
	Manappuram Home Finance Limited*
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	MAFIN Enterprise *
	Manappuram Travels *
	Manappuram Chits *
	Earthables Projects LLP*
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chit Funds Company Private Limited *
	Adlux Medicity And Convention Centre Private Limited *
	SNST Advisories Private Limited *
	DTA Advisory Private Limited *
	DTB Advisory Private Limited *
	DT3 Advisory Private Limited *
	Orange Retail Finance India Private Limited *
	Finance Industry Development Council *
	Macare Dental Care Private Limited*
	Manappuram Health Care Limited *
	Manappuram Construction and Consultants Limited *
	Manappuram Finance Limited*
	Manappuram Chits (India) Limited *
	Manappuram Agro Farms Limited *
	Manappuram Jewellers Limited*
	Manappuram Asset Finance Limited *
	MABEN Nidhi Limited*

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Nature of relationship	Name of the party
	Manappuram Foundation
	Mukundapuram Educational and Cultural Society *
	IIM, Calicut *
	Federation of Indian Chambers of Commerce and Industry *
	Manappuram Finance Employees Group Gratuity Fund Trust*
	Sanjeev Enterprises*
	Abirami Consultants And Securities Private Limited *
	Proficient Investment And Financial Consultancy Private Limited *
	Acsys Investments Private Limited *
	Media Works Private Limited *
	Farvision Securities Private Limited*
	Aham Housing Finance Limited*
	Asirvad Development Foundation*
	PPFAS Asset Management Private Limited*
	QSK Advisory LLP*
	Pachira Financial Services LLP
	Bonanza Business Services Private Limited*
	Muralya Dairy Products Private Limited*
	Shiksha Financial Services India Private Limited*
	M Power Micro Finance Private Limited*
	Infomerics Valuation and Rating Limited
	Fenca Limited, UK (Erstwhile known as Fast Encash Money Transfer Services, UK)*
	Morgan & Harvey Services Ltd, UK*
	Value Finance Corporation Limited, UK*
	Value Finance Ltd, UK*
Relatives of Key Management Personnel (KMP) of the company and the holding company	Ms. Sushama Nandakumar (wife of Mr. V P Nandakumar) *
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar) *
	Mr. Suhas Nandan (son of Mr. V P Nandakumar) *
	Ms. Shruti Sooraj (Son's wife of V P Nandakumar) *
	Ms. Niniraj (Son's wife of V P Nandakumar) *
	Mr. Jayasankar (Daughter's Husband of V P Nandakumar) *
	Ms. Jyothi Prasannan (Sister of V P Nandakumar) *
	Ms. Shelly Ekalavian (Sister of V P Nandakumar)*
	Ms. Girija Vaidyanathan (Wife of Mr. S V Raja Vaidyanathan)
	Ms. Alamelu Venkataraman (Mother of Mr. S V Raja Vaidyanathan) *
	Mr. Sanjeev Vaidyanathan (Son of Mr. S V Raja Vaidyanathan) *
	Ms. Anjana Vaidyanathan (Daughter of Mr. S V Raja Vaidyanathan) *
	Ms. Saisudha (Son's wife of Mr. S V Raja Vaidyanathan) *
	Mr. Anand Ramakrishnan (Daughter's Husband of Mr. S V Raja Vaidyanathan) *
	Mr. S V Sekar (Brother of Mr. S V Raja Vaidyanathan) *
	Mr. S V Krishnamurthy (Brother of Mr. S V Raja Vaidyanathan)*
	Ms. Susila Sethuraman (Sister of Mr. S V Raja Vaidyanathan)*
	HUF: Subrata Kumar Mitra- Karta *
	Ms. Susmita Mitra (Wife of Mr. Subrata Kumar Atindra Mitra) *
	Ms. Sanjukta Mitra Sethu (Daughter of Mr. Subrata Kumar Atindra Mitra) *
	Ms. Srimoyee Mitra (Daughter of Mr. Subrata Kumar Atindra Mitra) *
	Mr. Santosh Sethu Madhavan (Daughter's Husband of Mr. Subrata Kumar Atindra Mitra) *

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Nature of relationship	Name of the party
Relatives of Key Management Personnel (KMP) of the company and the holding company	Mr. Gabriel Sirois (Daughter's Husband of Mr. Subrata Kumar Atindra Mitra) *
	Mr. Sujit Kumar Mitra (Brother of Mr. Subrata Kumar Atindra Mitra) *
	Mr. Sudhish Mitra (Brother of Mr. Subrata Kumar Atindra Mitra) *
	Ms. Chitra Guha Roy (Sister of Mr. Subrata Kumar Atindra Mitra)*
	Ms. Rajalakshmy (Wife of Mr. B N Raveendra Babu) *
	Ms. Bobby Arun Kumar (Daughter of Mr. B N Raveendra Babu) *
	Ms. Biji Babu (Daughter of Mr. B N Raveendra Babu) *
	Mr. Sanjai (Daughter's Husband of Mr. B N Raveendra Babu) *
	Mr. Arun Kumar (Daughter's Husband of Mr. B N Raveendra Babu) *
	Ms. Prasanna (Sister of Mr. B N Raveendra Babu)*
	Ms. Seema Saigal (Wife of Mr. Gautam Rathindranath Saigal)*
	Ms. Srishti Saigal (Daughter of Mr. Gautam Rathindranath Saigal) *
	Mr. Rathindranath Saigal (Father of Mr. Gautam Rathindranath Saigal) *
	Mr. Rahul Saigal (Brother of Mr. Gautam Rathindranath Saigal)*
	Ms. Bindu Balakrishnan (Wife of Mr. T Balakrishnan) *
	Mr. Vishnusai Balakrishnan (Son of Mr. T Balakrishnan) *
	Mr. Sivasai Balakrishnan (Son of Mr. T Balakrishnan) *
	Ms. Alex Arabit Sai (Son's wife of Mr. T Balakrishnan) *
	Mr. T. Raveendran (Brother of Mr. T Balakrishnan) *
	Ms. T. Vijayalakshmy (Sister of Mr. T Balakrishnan)*
	Mr. C R Sitaraman (Husband of Ms. Pushya Sitaraman) *
	Ms. Sharanya Sitaraman (Daughter of Ms. Pushya Sitaraman) *
	Ms. Varsha Sitaraman (Daughter of Ms. Pushya Sitaraman) *
	Mr. Anand Nandakumar (Daughter's Husband of Ms. Pushya Sitaraman) *
	Mr. Tanuj Mehra (Daughter's Husband of Ms. Pushya Sitaraman) *
	Mr. P Raghunandan (Brother of Ms. Pushya Sitaraman) *
	Ms. Jayanthi Sekhar (Sister of Ms. Pushya Sitaraman) *
	Ms. Suman Sambamurthy (Sister of Ms. Pushya Sitaraman)*
	Ms. Tamashree Sen (Wife of Mr. Abhijit Sen) *
	Ms. Arati Sen (Mother of Mr. Abhijit Sen) *
	Mr. Rohan Sen (Son of Mr. Abhijit Sen) *
	Mr. Vivek Sen (Son of Mr. Abhijit Sen) *
	Ms. Snehal Naik (Son's wife of Mr. Abhijit Sen) *
	Ms. Amanda Barbee (Son's wife of Mr. Abhijit Sen) *
	Mr. Bishwajit Sen (Brother of Mr. Abhijit Sen)*
	Ms. Rama Dogra (Wife of Mr. Desh Raj Dogra) *
	Ms. Aashima A Freitag (Daughter of Mr. Desh Raj Dogra) *
	Ms. Arti S Mhatre (Daughter of Mr. Desh Raj Dogra) *
	Mr. Armin Freitag (Daughter's Husband of Mr. Desh Raj Dogra) *
	Ms. Samit Mhatre (Daughter's Husband of Mr. Desh Raj Dogra) *
	Mr. Subhash Dogra (Brother of Mr. Desh Raj Dogra) *
	Ms. Sarmishta Dogra (Sister of Mr. Desh Raj Dogra) *
	Ms. Kamlesh Sharma (Sister of Mr. Desh Raj Dogra)*
	Mr. Nandakumar Kollara (Son of Mr. Harshan Kollara) *
	Mr. Jaihari Kollara (Son of Mr. Harshan Kollara) *
	Ms. Elena T Kollara (Son's wife of Mr. Harshan Kollara) *
	Dr. Sugathan Kollara (Brother of Mr. Harshan Kollara) *

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Nature of relationship	Name of the party
Relatives of Key Management Personnel (KMP) of the company and the holding company	Mr. Sreenath Kollara (Brother of Mr. Harshan Kollara) *
	Ms. Sarala K S (Sister of Mr. Harshan Kollara) *
	Ms. Jayanthi K S (Sister of Mr. Harshan Kollara) *
	Ms. Sunitha K S (Sister of Mr. Harshan Kollara)*
	Mr. Uttam D Belani (Father of Ms. Anita Belani) *
	Mr. Rajesh Belani (Brother of Ms. Anita Belani) *
	Ms. Sunita Tendolkar (Sister of Ms. Anita Belani) *
	Ms. Renu Motwani (Step Sister of Ms. Anita Belani)*
	Ms. Dhanya (Wife of Mr. Rajesh KRN Namboodiripad) *
	Ms. Parvathy Devi (Mother of Mr. Rajesh KRN Namboodiripad) *
	Ms. Anushree (Daughter of Mr. Rajesh KRN Namboodiripad)*
	Ms. KR Rekha (Sister of Mr. Rajesh KRN Namboodiripad)*
	Mr. Adarsh Govind (Husband of Ms. Aparna Menon) *
	Ms. Beena Menon (Mother of Ms. Aparna Menon) *
	Ms. Samara Adarsh (Daughter of Ms. Aparna Menon) *
	Ms. Anjana Menon (Sister of Ms. Aparna Menon)*
	Ms. Siji MG (Wife of Mr. Manoj Kumar V R) *
	Mr. Raman V K (Father of Mr. Manoj Kumar V R) *
	Ms. Vilasini V K (Mother of Mr. Manoj Kumar V R) *
	Mr. Harikrishna M Manoj (Son of Mr. Manoj Kumar V R) *
	Mr. Naveen Kumar V R (Brother of Mr. Manoj Kumar V R) *
	Mr. Praveen V R (Brother of Mr. Manoj Kumar V R) *
	Ms. Geetha V R (Sister of Mr. Manoj Kumar V R)*
	Mr. Benny (Husband of Ms. Bindu A L) *
	Ms. Rosily Lonappan (Mother of Ms. Bindu A L) *
	Mr. Amal Benny (Son of Ms. Bindu A L) *
	Ms. Anna Ben (Daughter of Ms. Bindu A L) *
	Mr. Biju A.L (Brother of Ms. Bindu A L)*
	Mr. Nelson A.L (Brother of Ms. Bindu A L)*
	Ms. Anushka Jayasankar (Daughter of Ms. Sumitha Nandan)*
	Ms. Aashirya Jayasankar (Daughter of Ms. Sumitha Nandan)*

* No transactions with these related parties

Note: Related party relationships are as identified by the Management.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

36.2 A. Transactions with the related parties

Nature	Name of the party	Year ended March 31, 2025	Year ended March 31, 2024
Remuneration to KMP	Mr. BN Raveendra Babu	152.68	144.34
	Mr. Rajesh KRN Namboodiripad	33.17	31.64
	Ms. Aparna Menon	19.55	17.80
	Satish C K Kutty Nair	14.73	-
Donation	Manappuram Foundation	556.54	395.95
Issue of Right Shares (Including Securities Premium)*	Manappuram Finance Limited	-	14,644.24
	Mr. S V Raja Vaidyanathan	-	217.43
	Mr. V P Nandakumar	-	58.28
	Mr. A Ramanathan	-	8.01
	Mr. D.R. Dogra	-	40.86
	Mr. Gautam Saigal	-	11.54
	Mr. BN Raveendra Babu	-	14.12
Issue of Bonus Shares (Ratio 2:1)**	Manappuram Finance Limited (13,03,23,746 Shares)	-	-
	Mr. S V Raja Vaidyanathan (22,39,468 Shares)	-	-
	Mr. V P Nandakumar (5,18,806 Shares)	-	-
	Mr. A Ramanathan (76,400 Shares)	-	-
	Mr. D.R. Dogra (59,648 Shares)	-	-
	Mr. Gautam Saigal (1,02,670 Shares)	-	-
	Mr. BN Raveendra Babu (1,25,644 Shares)	-	-
Term Loan	Manappuram Finance Limited	-	12,000.00
Sub-debt	Manappuram Finance Limited	-	15,000.00
Rent & other amenities	Manappuram Finance Limited	19.97	39.61
Reimbursement of Expense	Manappuram Finance Limited	-	71.66
Rent receivable (Including Reimburement)	Manappuram Finance Limited	23.52	13.86
Rating fee payable	Infomerics Valuation and Rating Private Limited	14.91	74.68
Advisory Services	Pachira Financial Service Limited	81.75	-
Training expenses	Manappuram Finance Limited	64.60	66.23
Interest Expense	Vivriti Capital Limited	-	147.85
	Manappuram Finance Limited	1,687.50	1,961.94
	Mr. S V Raja Vaidyanathan	46.42	-
	Mrs. Girija Vaidyanathan	4.10	-
Purchase of software	Manappuram Comptech and Consultants Limited	1,602.33	1,191.89
Software expense	Manappuram Comptech and Consultants Limited	1,098.49	1,104.56
Sitting fees	Mr. A Ramanathan	-	4.88
	Mr. Abhijit Sen	9.83	8.77
	Mr. D.R. Dogra	10.15	8.28
	Mr. Gautam Saigal	10.34	8.59
	Ms. Pushya Sitaraman	7.18	5.70
	Mr. Subrata Kumar Atindra Mitra	6.65	5.13
	Mr. T. Balakrishnan	12.01	8.38
	Mr. Harshan Kollara	10.18	7.35
	Ms. Anita Belani	5.07	4.29
	Mr. S V Raja Vaidyanathan	11.89	10.10

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Nature	Name of the party	Year ended March 31, 2025	Year ended March 31, 2024
Commission (Excluding GST)	Mr. A Ramanathan	14.00	1.90
	Mr. D.R. Dogra	-	22.05
	Mr. Subrata Kumar Atindra Mitra	-	20.20
	Mr. Abhijit Sen	-	15.80
	Mr. Gautam Saigal	-	19.77
	Ms. Pushya Sitaraman	-	19.77
	Mr. T. Balakrishnan	-	19.77
	Mr. Harshan Kollara	-	19.30
	Ms. Anita Belani	-	14.32
	Mr. S V Raja Vaidyanathan	-	15.90
	Mr BN Raveendra Babu	-	60.00

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

**Through a Board resolution dated August 26, 2023, the Company has allotted 13,35,22,248 equity shares of ₹ 10 each as bonus shares to the existing equity shareholders of the Company.

B. Transactions of the beneficial related party

Nature	Name of the party	Year ended March 31, 2025	Year ended March 31, 2024
Insurance Commission on insurance premium paid by Asirvad Micro Finance Limited	Manappuram Insurance Brokers Ltd	12.29	15.92

36.3 Balance as at year end

Nature	Name of the party	Year ended March 31, 2025	Year ended March 31, 2024
Interest on loan payable	Manappuram Finance Limited	1,479.45	1,484.08
Training expense payable	Manappuram Finance Limited	14.73	66.23
Rent receivable	Manappuram Finance Limited	2.01	-
Software expense payable	Manappuram Comptech and Consultants Limited	20.26	30.07
Software purchase payable	Manappuram Comptech and Consultants Limited	141.04	-
Performance incentive payable	Mr. BN Raveendra Babu	-	60.00
Commission payable	Mr. D.R. Dogra	-	19.50
	Mr. Subrata Kumar Atindra Mitra	-	17.50
	Mr. Abhijit Sen	-	14.00
	Mr. Gautam Saigal	-	17.50
	Ms. Pushya Sitaraman	-	17.50
	Mr. T. Balakrishnan	-	17.50
	Mr. Harshan Kollara	-	17.50
	Anita Belani	-	14.00
	Mr. S V Raja Vaidyanathan	-	14.00

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Note:

- (a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.
- (b) The Related Parties have confirmed to the Management that as at year ended March 31, 2025 and March 31, 2024 there are no further amounts payable to / receivable from them, other than as disclosed above.
- (c) The above compensation to key management personnel includes value of pequisites and excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.
- (d) The transactions during the period are Inclusive of GST wherever applicable except for commission.

36.4 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

Particulars	As at year ended March 31, 2025		As at year ended March 31, 2024	
	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
Loans and advances in the nature of loans				
From Holding Company	15,000	15,000	15,000	40,000
To Fellow Subsidiaries	-	-	-	-
To Associates	-	-	-	-
Where there is				
No Repayment Schedule	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-
No Interest	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-
To Firms / Companies in which directors are interested (Other the (a) and (b) above)	-	-	-	-
Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

36.5 Disclosure Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management		Relatives of Key Management Personnel		Others		Total	
	Mar 2025	Mar 2024	Mar 2025	Mar 2024	Mar 2025	Mar 2024	Mar 2025	Mar 2024	Mar 2025	Mar 2024	Mar 2025	Mar 2024	Mar 2025	Mar 2024
Items														
Borrowings														
Manappuram Finance Limited (Outstanding)	15,000.00	15,000.00	-	-	-	-	-	-	-	-	-	-	15,000.00	15,000.00
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid														
Manappuram Finance Limited	1,687.50	1,961.94	-	-	-	-	-	-	-	-	-	-	1,687.50	1,961.94
Vivriti Capital Limited	-	-	-	-	-	-	-	-	-	-	147.85	-	-	147.85
Mr. S V Raja Vaidyanathan*	-	-	-	-	-	-	-	-	-	-	-	-	46.42	-
Mrs. Girija Vaidyanathan*	-	-	-	-	-	-	-	-	-	-	4.10	-	4.10	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others														
Donation (Manappuram Foundation)	-	-	-	-	-	-	-	-	-	-	556.54	395.95	556.54	395.95
Purchase of software (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	1,602.33	1,191.89	1,602.33	1,191.89
Software expense (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	1,098.49	1,104.56	1,098.49	1,104.56

*This item is not more than 5 % of total related party transactions

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

37 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share capital and other equity. Debt includes term loans from banks, NBFC and debentures net of cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing ratio :

	As at March 31, 2025	As at March 31, 2024
Borrowings	6,93,820.72	10,00,690.14
Cash and bank balance	(25,627.98)	(96,254.64)
Net debt (A)	6,68,192.74	9,04,435.50
Equity share capital	20,028.34	20,028.34
Other equity	1,31,447.45	1,94,881.60
Total equity (B)	1,51,475.79	2,14,909.94
Net debt to equity ratio (A/B)	4.41	4.21

38 Categories of financial instruments

The carrying value and fair value of the financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(a) Financial assets				
Measured at amortised cost				
- Loans	7,01,609.22	10,29,534.74	7,01,609.22	10,29,534.74
- Cash and cash equivalents	25,627.98	96,254.64	25,627.98	96,254.64
- Bank balance other than above	39,607.62	37,196.96	39,607.62	37,196.96
- Other financial assets	7,864.63	13,826.85	7,864.63	13,826.85
- Loan given to staff	-	153.07	-	153.07
Measured at fair value through OCI				
- Investments	20,679.75	19,493.07	20,679.75	19,493.07
Measured at fair value through Profit or Loss				
- Investments	20,197.39	18,833.06	20,197.39	18,833.06
Hedge accounting				
- Derivative financial instruments	1,118.24	1,356.72	1,118.24	1,356.72
Total	8,16,704.83	12,16,649.11	8,16,704.83	12,16,649.11
(b) Financial liabilities :				
Measured at amortised cost				
- Debt securities	2,486.87	61,989.07	2,486.87	61,989.07
- Borrowings (other than debt security)	6,26,374.72	8,73,570.67	6,26,374.72	8,73,570.67
- Subordinated liabilities	64,959.13	65,130.40	64,959.13	65,130.40
- Trade payables	2,813.10	2,121.53	2,813.10	2,121.53
- Derivative financial instruments	-	-	-	-
- Other financial liabilities	26,502.02	30,677.78	26,502.02	30,677.78
Hedge accounting				
- Derivative financial instruments				
Total	7,23,135.84	10,33,489.45	7,23,135.84	10,33,489.44

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

The management assessed that fair value of loans, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables, derivative financial instrument and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(I) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans and other financial assets	Low credit risk	Life time expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss

Financial assets that expose the entity to credit risk

Particulars	Nature	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents (excluding cash on hand)	Low credit risk	24,653.10	94,911.53
Bank balance other than cash and cash equivalents	Low credit risk	39,607.62	37,196.96
Loans	Low credit risk	6,35,975.03	9,89,131.65
Loans	Moderate credit risk	40,613.69	18,833.33
Loans	High credit risk	25,020.51	21,722.83
Investments	Low credit risk	40,877.14	38,326.13
Other financial assets	Low credit risk	7,864.63	13,826.85

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country

Other financial assets

Other financial assets measured at amortized cost includes security deposits, receivable on assignment, advances recoverable on behalf of business correspondence arrangements, insurance claim receivables and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans and other financial assets mentioned below as the maturity is within twelve months from the balance sheet date.

Particulars	Cash and cash equivalents	Other bank balance	Loan given to staff	Investments	Other financial assets
As at March 31, 2025					
Estimated gross carrying amount	25,627.98	39,607.62	-	47,802.87	7,926.80
Less: Expected credit losses	-	-	-	6,925.73	62.17
Net carrying amount	25,627.98	39,607.62	-	40,877.14	7,864.63
As at March 31, 2024					
Estimated gross carrying amount	96,254.64	37,196.96	154.06	40,424.29	14,406.50
Less: Expected credit losses	-	-	0.99	2,098.16	579.65
Net carrying amount	96,254.64	37,196.96	153.07	38,326.13	13,826.85

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 01, 2023	8,47,060.67	18,120.44	26,883.48
Assets originated*	2,09,985.25	17,410.92	37,938.48
Net transfer between stages	-	-	-
Transfer to stage 1	-	(195.76)	(10.96)
Transfer to stage 2	(15,748.20)	-	(22.36)
Transfer to stage 3	(31,585.77)	(2,563.57)	-
Assets derecognised or collected (excluding write offs)	(10,616.40)	(7,497.28)	(9,485.47)
Write - offs (including death cases)	(32.41)	(5,177.20)	(11,291.69)
Gross carrying amount as at March 31, 2024	9,99,063.15	20,097.55	44,011.48
Assets originated*	(1,38,588.15)	48,508.46	59,829.37
Net transfer between stages	-	-	-
Transfer to stage 1	-	(263.02)	(69.42)
Transfer to stage 2	(53,268.89)	-	(9.57)
Transfer to stage 3	(61,702.10)	(1,197.56)	-
Assets derecognised or collected (excluding write offs)	-	(20.80)	(19,251.95)
Write - offs (including death cases)	(92,855.02)	(16,221.92)	(14,189.95)
Gross carrying amount as at March 31, 2025	6,52,648.98	50,902.72	70,319.96

*Assets originated during the year has been presented on net basis i.e. the collections towards loans has been netted off.

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at April 01, 2023	7,995.61	1,610.86	15,548.44
Increase of provision due to assets originated during the year	23,292.85	6,881.48	17,535.61
Net transfer between stages	-	-	-
Transfer to stage 1	-	12.70	4.19
Transfer to stage 2	(834.87)	-	4.31
Transfer to stage 3	(15,306.19)	(997.39)	-
Assets derecognised or collected (excluding write offs)	(5,198.42)	(3,694.97)	(5,087.70)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	(17.49)	(2,548.46)	(5,716.20)
Gross carrying amount as at March 31, 2024	9,931.49	1,264.22	22,288.65
Increase of provision due to assets originated during the year	1,01,208.76	17,105.34	42,544.79
Net transfer between stages	-	-	-
Transfer to stage 1	-	6.48	8.08
Transfer to stage 2	(9,297.26)	-	1.25
Transfer to stage 3	(39,740.80)	(638.62)	-
Assets derecognised or collected (excluding write offs)	-	(10.57)	(9,780.30)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	(47,171.95)	(8,241.14)	(7,215.97)
Gross carrying amount as at March 31, 2025	14,930.23	9,485.72	47,846.49

(#) If the probability of default increases or decrease by 10 basis point the expected credit loss will increase or decrease by ₹ 419.98 Lakhs (as at March 31, 2024 ₹ 506.05 Lakhs).

Similarly if the loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 1,141.31 Lakhs (as at March 31, 2024 ₹ 491.74 Lakhs).

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

(III) Concentration of loans (*)

Particulars	As at March 31, 2025	As at March 31, 2024
Micro finance loans	6,70,297.93	9,65,660.40
Micro, small and medium enterprise (MSME)	10,735.30	8,543.82
Gold loans	92,838.44	88,814.88
Total	7,73,871.67	10,63,019.10
Total Assets	8,76,794.43	12,51,047.91
Percentage of Gold Loans to Total Assets	10.59%	7.10%

(*) The above figures represents the gross loan value along with interest accrued

(b) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Refer Note 42.19 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(c) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	As at March 31, 2025	As at March 31, 2024
Interest sensitivity*		
Interest rates – increase by 0.50%	2,561.67	3,473.00
Interest rates – decrease by 0.50%	(2,561.67)	(3,473.00)

* Holding all other variables constant

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(All amounts in ₹ lakhs unless otherwise stated)

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated March 26, 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Interest Rate risk, Currency risk hedging policy.

The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk hedging policy.

The Company's exposure of foreign currency risk (Euros) at the end of the reporting period expressed in ₹ are as follows:

Hedged	Impact on profit an loss account	
	As at March 31, 2025	As at March 31, 2024
USD Sensitivity		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-
EURO Sensitivity		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-

Particular	Impact on other comprehensive income	
	As at March 31, 2025	As at March 31, 2024
USD Sensitivity		
Hedging Instrument		
INR/USD - Increase by 1%*	81.80	108.40
INR/USD - Decrease by 1%*	(81.80)	(108.40)
Hedged Item		
INR/USD - Increase by 1%*	(77.02)	(100.05)
INR/USD - Decrease by 1%*	77.02	100.05
EURO Sensitivity		
Hedging Instrument		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-
Hedged Item		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

Unhedged

* represents the notional amount of the derivative financial instrument

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

40 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended March 31, 2025 and March 31, 2024 are furnished below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

41 Contingent Liabilities and commitments

	As at March 31, 2025	As at March 31, 2024
A. Contingent liabilities:		
(a) Claims against the company not acknowledged as debt;	-	-
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the company is contingently liable (refer (i) below)}	8,902.00	6,907.07
(i) Income Tax		
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91
- Income Tax (A.Y. 2017-18)	1,348.79	1,348.79
- Income Tax (A.Y. 2020-21)	1,953.49	1,953.49
- Income Tax (A.Y. 2021-22)	501.38	501.38
- Income Tax (A.Y. 2023-24)	1,875.58	
	8,782.65	6,907.07

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(ii) Indirect Tax (GST)		
- GST (FY 2017-20)	60.94	-
- GST (FY 2022-23)	35.98	-
	96.92	-
(iii) Non Tax Cases	22.43	-
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Other Intangible Assets	-	-
(b) Uncalled liability on shares and other investments partly paid;	-	-
(c) Other commitments (specify nature).	-	-
	-	-

A) Income Tax

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 1,124.50 by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the CIT(A) and paid an amount of ₹ 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest. Further the case is dismissed without addressing the appellants specific arguments and the Company filed appeal against ITAT and expecting a favourable outcome in this regard.

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 1,978.91 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the CIT(A) and paid an amount of ₹ 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest. Further the case is dismissed without addressing the appellants specific arguments and the Company filed appeal against ITAT and expecting a favourable outcome in this regard.

Income Tax (A.Y. 2017-18)

As per the order under Section 143(3), the Assessing Officer (AO) concluded that the assessee had claimed interest passed on to the SPV Trust in relation to a securitization transaction as a reduction from its income, amounting to ₹2899.57 lakhs. The AO added back this amount, alleging that it was a 'finance cost' claimed by the assessee on securitized assets that no longer belonged to it.

However, the interest on the securitization loan was only reduced from the corresponding gross finance income, which includes interest on securitized assets. In a securitization arrangement, the interest on securitized loans is not the appellant's income, as it accrues to the Issuer and not to the appellant. Therefore, the question of substantiating this under the Income Tax Act does not arise, as it is not the appellant's income.

Additionally, the AO disallowed an amount of ₹162 Lakhs under Section 69A, representing Specified Bank Notes accepted and deposited by the assessee in its bank accounts during the demonetization period and the company has created a provision to the tune of ₹ 172.57 Lakhs for the same

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for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

The Company has filed an appeal against this order with CIT(A) and has paid ₹304.27 lakhs, being 20% of the total demand, which has been disclosed as a 'Deposit under Protest.' However, the appeal was dismissed without addressing the appellant's specific arguments. Consequently, the Company has filed an appeal with ITAT and expects a favorable outcome in this regard.

Income Tax (A.Y. 2020-21)

As per the order under Section 143(3), the Income Tax Department raised a demand of ₹2,134.39 lakhs due to discrepancies related to incorrect reporting of ICDS Adjustment, bonus and leave encashment in the ITR vis-à-vis the tax audit report, and delays in remitting employee contributions to the PF. The Company has created a provision of ₹180.90 lakhs for expenses that may be disallowed. The remaining demand stands at ₹1,953.49 lakhs.

The Company filed an appeal with CIT(A), which was dismissed without addressing the appellant's specific arguments. Consequently, the Company has filed an appeal with ITAT and expects a favorable outcome in this regard.

Income Tax (A.Y. 2021-22)

As per the intimation received under Section 143(1), expenses amounting to ₹1,560.61 lakhs were disallowed, resulting in a tax demand of ₹557.35 lakhs and this was due to discrepancies in the reporting of bonus, leave encashment, and gratuity between the Income Tax Return (ITR) and the Tax Audit Report, as well as delays in remitting employees' contributions to PF/ESI and recovery of bad and doubtful debt u/s 41. However, the management believes that only ₹195.03 lakhs needs to be disallowed and accordingly, a provision of ₹55.98 lakhs has been created, and the remaining demand amounts is ₹501.37 lakhs.

The company filed an appeal with the CIT(A), which was dismissed without addressing the appellant's specific arguments. Subsequently, an appeal was filed with the Income Tax Appellate Tribunal (ITAT), which referred back the case for further assessment to CIT(A) and the company anticipates a favorable outcome in this regard.

Income Tax (AY 2023-24)

The Central Processing Centre (CPC) processed the company's return of income under Section 143(1) and determined a differential tax liability of ₹1,875.58 lakhs. This arose due to the disallowance of an amount under Section 41, treating bad debt recovery as taxable, despite it already being reported as other income in the Income Tax Return and deductions claimed under Section 80JJAA were disallowed due to procedural lapses. The company has filed an appeal with the Commissioner of Income Tax (Appeals) that the disallowances were unwarranted and a favorable outcome is expected in this regard.

GST (FY 2017-20)

The company had received notice in Form GST ADT -01 dated 27/04/2022 u/s 65 of CGST Act, 2017 intimating conduct of audit of Books of accounts for the period 2017-18 to 2019-20. An Intimation of Form GST DRC - 01A bearing DIN: 20230459X0000444A6D dated 11.04.2023 was issued proposing to demand tax along with interest for Excess availment of ISD ITC and Availment of Ineligible ITC amounting to ₹ 6015562.00. The Department has proceeded to issue Assessment Order and DRC-07 on 15/12/2023 upholding the demand. An Appeal against the Assessment order has been filed on 13-03-2024 and the company has a high chance of obtaining favourable order considering the facts and circumstances

GST (FY 2022-23)

During the FY 2024-25, the company received a notice under Section 61 Rule 99 of the CGST Act 2017, dated 21-1-25. This notice intimated a discrepancy in the return and alleged excess availment of ITC for FY 2022-23 amounting to 3597538.00. The company has since filed a reply to the Deputy Commissioner of Sales Tax. Given that there was no excess availment of Input Tax Credit, we believe the company has a high chance of a favourable outcome in this matter.

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(All amounts in ₹ lakhs unless otherwise stated)

SEBI

During the financial year, the Company received a Show Cause Notice from SEBI dated September 03, 2024 ("SCN"), regarding certain matters w.r.t Non-Convertible Debentures ("NCDs") issued under ISIN: INE516Q08281. The Company filed a detailed reply to this SCN. This matter is pending. The NCDs were redeemed on March 12, 2024.

Others

There are 5 Non tax cases where the company has adequately disclosed as contingent liability.

42 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. November 10, 2014

42.01 Details of registration with financial regulators

Regulator	Registration No.
Ministry of Company Affairs	CIN:U65923TN2007PLC064550
Reserve Bank of India	N-07-00769 dated September 27, 2016

42.02 Disclosure of penalties imposed by RBI and other regulators

There are no penalty imposed by Reserve Bank of India and other regulators for the year ended March 31, 2025, March 31, 2024, except for the following:

For the Year Ended March 31, 2025

Regulator	Reason	Amount (In Rupees)
RBI	Regulatory Non Compliance	6,20,000.00

42.03 Related party transactions

Details of all material related party transactions are disclosed in Note 36.

42.04 Remuneration of directors

Details of commission payable to non executive directors are disclosed in Note 36.

42.05 Concentration of advances, exposures and NPA's

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from ₹ 3,099 to ₹ 1,25,000 to women engaged in various income generating activities. As at March 31, 2025, the company has provided loans to more than 34.92 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

42.06 Ratings assigned by credit rating agencies

Particulars	Amount Rated (In Lakhs)*	March 31, 2025	March 31, 2024
Commercial paper	40,000	Crisil A1+	Crisil A1+
Bank Loan Facilities	9,00,000	Crisil AA-/Stable	Crisil AA-/Stable
Long Term Bank Facilities	2,00,000	Care AA- /Stable	NA
Long term Non-Convertible Debentures	53,700	Crisil AA-/Stable	Crisil AA-/Stable
Long term Non-Convertible Debentures	20,000	Care AA- /Stable	NA
MFI Grading	NA	CARE MFI-1	CARE MFI-1
Subordinated Debt	91,000	Crisil AA-/Stable	Crisil AA-/Stable
COCA report	NA	CARE C1	CARE C1
Market Linked Debentures	45,050	Crisil PPMLD AA-/Stable	Crisil PPMLD AA-/Stable

*Amount rated is as on March 31, 2025.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

42.07 Sector-wise NPAs:

	March 31, 2025	March 31, 2024
Agriculture & allied activities	10.82%	3.63%
MSME	16.83%	6.09%
Corporate borrowers	NA	NA
Services	15.80%	8.02%
Unsecured personal loans	37.80%	14.67%
Auto loans (commercial vehicles)	NA	NA
Other loans	1.57%	1.72%

42.08 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

	Year ended March 31, 2025	Year ended March 31, 2024
Provision for income tax (excluding deferred tax)	-	19,448.50
Provision towards standard assets	13,001.66	2,214.01
Provision towards non performing assets	1,56,676.76	44,158.94
Provision and contingencies on gratuity	669.66	576.24
Provision towards compensated absences	288.26	186.74
Provision for insurance claim receivable	(229.93)	(82.67)
Provision for Receivable from Resigned Staff	4,626.35	2,614.55
	1,75,032.76	69,116.31

42.09 Movement of NPAs

	March 31, 2025	March 31, 2024
Net NPAs to net advances (%)	2.46%	1.71%
Movement of NPAs (Gross)		
(a) Opening balance	40,315.44	25,190.64
(b) Additions during the year	1,77,468.82	64,143.83
(c) Reductions during the year	(1,52,270.80)	(49,019.03)
(d) Closing balance	65,513.46	40,315.44
Movement of Net NPAs		
(a) Opening balance	18,045.76	10,111.20
(b) Additions during the year	25,552.77	22,256.52
(c) Reductions during the year	(25,931.56)	(14,321.96)
(d) Closing balance	17,666.97	18,045.76
Movement of provisions for receivables under financing activities		
(a) Opening balance	22,269.68	15,079.44
(b) Provisions made during the year	1,51,916.05	41,887.31
(c) Write-off / write-back of excess provisions	(1,26,339.24)	(34,697.07)
(d) Closing balance	47,846.49	22,269.68

42.10 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

42.11 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

42.12 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

42.13 Investments

	March 31, 2025	March 31, 2024
Value of Investments		
(i) Gross Value of Investments		
(a) In India	47,802.87	40,424.13
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	6,925.73	2,098.00
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	40,877.14	38,326.13
(b) Outside India.	-	-
Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance	2,098.00	-
(ii) Add : Provisions made during the year	4,827.73	2,098.00
(iii) Less : Write-off / write-back of excess	-	-
(iv) Closing balance	6,925.73	2,098.00

42.14 Derivatives:

	March 31, 2025	March 31, 2024
Cross Currency Interest Rate Swap		
The notional principal of swap agreements	7,702.33	10,004.88
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,118.24	1,356.72
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	1,118.24	1,356.72

Quantitative disclosures

Particulars	March 31, 2025	March 31, 2024
Derivatives (notional principal amount)		
For hedging	7,702.33	10,004.88
Marked to market positions		
a) Asset (+)	1,118.24	1,356.72
b) Liability (-)	-	-
Credit exposure		
Unhedged exposure	-	-

Qualitative disclosure

During the year ended March 31, 2025 and March 31, 2024 the Company has an existing derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedge relationship. During the year ended March 31, 2025 and March 31, 2024 the Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Company's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2025 and March 31, 2024 hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

42.15 Capital Adequacy Ratio

Particulars	As at March 31, 2025			As at March 31, 2024		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	1,56,436.27	7,47,330.74	20.93%	2,47,394.59	10,85,586.41	22.79%
(b) Tier I CRAR	1,18,295.23	7,47,330.74	15.83%	1,99,722.36	10,85,586.41	18.40%
(c) Tier II CRAR	38,141.03	7,47,330.74	5.10%	47,672.23	10,85,586.41	4.39%
(d) Liquidity Coverage Ratio	39,882.04	20,801.77	191.72%	57,464.73	27,997.25	205.25%

42.16 Details of financing of parent company products

The Company does not finance any parent company's products and accordingly disclosures is not required.

42.17 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

42.18 Unsecured Advances

Refer note 7(a)

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

42.19 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2025:*

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	1,876.65	7,632.97	21,822.44	40,510.75	57,131.28	1,14,052.05	1,78,072.38	1,76,663.16	8,805.94	-	6,06,567.62
Market Borrowings	1.50	-	-	-	-	-	2,500.00	20,500.00	32,500.00	10,000.00	65,501.50
Securitisation	-	-	2,233.62	3,062.31	1,082.98	2,515.73	3,734.26	5,266.87	-	-	17,895.77
Interest Payable	36.48	591.48	161.89	1,479.45	17.68	822.95	745.89	-	-	-	3,855.82
Total	1,914.63	8,224.45	24,217.95	45,052.51	58,231.94	1,17,390.73	1,85,052.53	2,02,430.03	41,305.94	10,000.00	6,93,820.71
Assets											
Advances	19,858.83	9,375.42	21,085.79	43,699.79	42,122.86	1,21,291.94	2,36,953.84	2,06,758.70	294.63	-	7,01,441.80
Investments	20,674.00	-	-	-	786.60	-	-	-	-	19,416.54	40,877.14
Total	40,532.83	9,375.42	21,085.79	43,699.79	42,909.46	1,21,291.94	2,36,953.84	2,06,758.70	294.63	19,416.54	7,42,318.94

*Numbers appearing in the ALM table is extracted from DNBS-4 filed with the RBI by the company for the month of March 2025

As per the previous financial year, the ALM was prepared considering the entire off-book portfolio. However, in the current year, it has been prepared based only on the on-book items (On-book DA). Additionally, the interest accrual portion has been incorporated in Note 42 for the current year.

(b) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2024:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	3,759.41	12,065.54	23,312.31	41,675.28	46,974.88	1,35,908.77	2,30,801.37	3,23,102.49	15,823.00	1,200.00	8,34,623.05
Market Borrowings	-	-	-	8,000.00	-	40,850.00	6,868.17	11,014.41	28,000.00	25,000.00	1,19,732.58
Securitisation	-	-	21,569.14	21,263.42	21,142.55	53,489.65	32,229.76	15,757.27	-	-	1,65,451.79
Cash Credit	600.00	-	-	-	-	-	1,149.6	-	-	-	1,749.59
Total	4,359.41	12,065.54	44,881.45	70,938.70	68,117.43	2,30,248.42	2,71,048.89	3,49,874.17	43,823.00	26,200.00	11,21,557.01
Assets											
Advances	12,389.69	12,389.69	28,319.28	59,421.55	53,978.68	2,09,207.47	5,28,143.04	2,48,565.73	629.28	75.89	11,53,120.30
Investments	19,487.32	-	-	-	-	-	-	-	-	18,838.81	38,326.13
Total	31,877.01	12,389.69	28,319.28	59,421.55	53,978.68	2,09,207.47	5,28,143.04	2,48,565.73	629.28	18,914.70	11,91,446.43

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

42.20 Draw down from reserves - Disclosure as per RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.00 1/2014-November 15, 10, 2014

There are no drawdown reserves from statutory reserves during the year ended March 31, 2025.

43 Additional disclosure pursuant to paragraph 53 of Resolution Framework for COVID-19-related Stress-RBI/2020-21/16- DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 read with Resolution framework 2.0 - RBI/2021-22/31 DOR.STR.RCEC.11/21.04.048/2021-22 dated May 05, 2021

For the year ended March 31, 2025

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-Position as at the end of previous half year i.e. Spetember 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of this half year
1	MSME loans	84.08	0.27	-	8.33	75.74
2	Others	3.91	0.69	1.00	2.83	0.08
	Total	87.99	0.96	1.00	11.16	75.82

For the year ended March 31, 2024

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-Position as at the end of previous half year i.e. Spetember 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of this half year
1	MSME loans	111.96	6.63	-	18.38	93.58
2	Others	259.62	58.28	1.99	74.04	183.60
	Total	371.58	64.91	1.99	92.42	277.18

44 Disclosure Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

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

Particulars	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
As at March 31, 2025	29	627,759.99	Not Applicable	86.55%
As at March 31, 2024	28	876,934.69	Not Applicable	84.63%

Notes:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDIS's, NBFC-Ds total liabilities and 1% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

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(All amounts in ₹ lakhs unless otherwise stated)

(ii) Top 20 large deposits (amount in lakhs and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Top 10 borrowings	3,71,718.87	51.25%	5,14,982.66	49.70%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at March 31, 2025		As at March 31, 2024	
	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	6,26,374.72	86.36%	8,73,570.67	84.31%
Debt securities	2,486.87	0.34%	61,989.07	5.98%
Subordinated liabilities	64,959.13	8.96%	65,130.40	6.29%

Notes:

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratio

Particulars	As at March 31, 2025	As at March 31, 2024
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities as a % of total liabilities	4.18%	3.31%
Other short-term liabilities as a % of total assets	3.46%	2.74%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.

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(All amounts in ₹ lakhs unless otherwise stated)

45 Disclosure Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

S. No	Particulars	As at March 31, 2025		As at March 31, 2024	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:				
1	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a)	Debentures				
	- Secured	2,485.04	-	60,824.87	-
	- Unsecured	64,960.97	-	66,294.60	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred credits	-	-	-	-
(c)	Term loans				
	- Secured	6,08,478.94	-	8,35,377.64	-
	- Unsecured	-	-	1,997.08	-
(d)	Inter-corporate loans and borrowings		-	-	-
(e)	Commercial paper	-	-	-	-
(f)	Finance lease obligations	-	-	-	-
(g)	Associated liabilities in respect of securitization transactions	-	-	-	-
(h)	Cash credits	-	-	-	-

S. No	Particulars	Amount Outstanding	
		As at March 31, 2025	As at March 31, 2024
	Assets:		
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :		
(a)	Secured	1,03,573.74	97,358.70
(b)	Unsecured	6,70,297.93	9,65,660.40
3	Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i)	Lease assets including lease rentals accrued and due:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

S. No	Particulars	Amount Outstanding	
		As at March 31, 2025	As at March 31, 2024
4	Break-up of Investments		
	Current Investments		
I	Quoted:		
(i)	Shares:	-	-
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
II	Unquoted:		
(i)	Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares:	-	-
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	20,674.00	19,487.32
II	Unquoted:		
(i)	Shares:		
	(a) Equity	-	5.75
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
(v)	Investment in Pass Through Certificates	-	-
(v)	Investment in Pass Through Certificates	-	-
(vi)	Investment in Equity Tranche	786.60	453.80
(vii)	Others(Security Receipts in ARC and PTC)	19,416.54	18,379.26

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

5 Borrower Group-wise Classification of Assets Financed as in (2) and (3) above

S. No	Category	As at March 31, 2025 (Net of Provisions)			As at March 31, 2024 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	1,02,710.92	5,98,898.30	7,01,609.22	96,870.49	9,32,664.25	10,29,534.74
		1,02,710.92	5,98,898.30	7,01,609.22	96,870.49	9,32,664.25	10,29,534.74

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

6 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

S. No	Category	As at March 31, 2025		As at March 31, 2024	
		Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value
1	Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	40,877.14	40,877.14	38,326.13	38,326.13
		40,877.14	40,877.14	38,326.13	38,326.13

7 Other Information

S. No	Category	As at March 31, 2025		As at March 31, 2024	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets	-	65,513.46	-	40,315.44
(ii)	Net non-performing assets	-	17,666.97	-	18,045.76
(iii)	Assets acquired in satisfaction of debt	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

46 Disclosure Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

Particulars	As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	46,250.00	46,250.00	34,605.00	34,605.00	18,553.00	18,553.00	10,059.82	10,059.82
Unencumbered fixed deposits							-	-
Investment in G sec	23,596.00	23,596.00	24,061.00	24,061.00	25,196.00	25,196.00	29,822.22	29,822.22
	69,846.00	69,846.00	58,666.00	58,666.00	43,749.00	43,749.00	39,882.04	39,882.04
Cash Outflows								
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	82,921.00	95,359.15	71,680.00	82,432.00	79,452.00	91,369.80	72,353.99	83,207.09
Other contingent funding obligations	-	-	-	-	-	-	-	-
	82,921.00	95,359.15	71,680.00	82,432.00	79,452.00	91,369.80	72,353.99	83,207.09
Cash Inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-
Monthly Collection & Other cash inflows	90,463.00	67,847.25	1,13,796.00	85,347.00	85,975.00	64,481.25	68,966.40	51,724.80
Contingent Funding/Credit Line available	56,800.00	42,600.00		-	50,000.00	37,500.00	50,000.00	37,500.00
	1,47,263.00	1,10,447.25	1,13,796.00	85,347.00	1,35,975.00	1,01,981.25	1,18,966.40	89,224.80

Liquidity coverage ratio

Particulars	As at June 30, 2024	As at September 30, 2024	As at December 31, 2024	As at March 31, 2025
Total high quality liquid assets (a)	69,846.00	58,666.00	43,749.00	39,882.04
Total net cash outflows (b)	23,839.79	20,608.00	22,842.45	20,801.77
Liquidity coverage ratio (a)/(b)	292.98%	284.68%	191.52%	191.72%

The inflows and outflows for the three months period June 30, 2024, September 30, 2024, December 31, 2024 and March 31, 2025 have been extracted from the form DNBS 4 filed by the company with Reserve bank of India.

Qualitative disclosures

The Reserve Bank of India has prescribed monitoring of sufficiency of NBFC's liquid assets pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025). The Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of NBFCs to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by 1.15 times and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by 0.75 times.

The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the year ended March 31, 2025 was 191.72% which is above the regulatory requirement.

47 RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated on September 29, 2016

(a) For the year ended FY 2024-25

Category	More than ₹ 1 Lakh		Less than ₹ 1 Lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	373	1,487.25	117	52.39
- By Others	1	1.14	10	3.72
Total	374	1,488.39	127	56.11

(a) For the year ended FY 2023-24

Category	More than ₹ 1 Lakh		Less than ₹ 1 Lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	129	2,013.47	-	-
- By Others	2	2.24	22	11.08
Total	131	2,015.71	22	11.08

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

47.1 Disclosure as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

Net Interest Margin during the Year:

	Year ended March 31, 2025	Year ended March 31, 2024
Average Interest (a)	24.62%	25.00%
Average effective cost for borrowing Interest (b)	10.27%	10.33%
Net Interest Margin (a-b)	14.35%	14.67%

The Average interest represents the weighted average interest rate at which loans have been disbursed to the customers for the years ended March 31, 2025, March 31, 2024.

The Average interest cost of borrowings of the Company for the years ended March 31, 2025, March 31, 2024 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

- Upfront processing fees paid by the Company for availing loans.
- Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

47.2 Undisclosed income

There are no transactions not recorded in the books of accounts.

48 Corporate Social Responsibility (CSR)

For the year ended March, 2025

During the year, the Company incurred an aggregate amount of ₹ 554.98 Lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As on March 31, 2025	
	Projects related to FY 2024-25	Projects related to FY 2021-22
(a) Gross amount required to be spent by the company during the period as per Sec 135 of Companies Act, 2013	635.74	21.73
(b) Excess Amount spent in previous year	-	-
(c) Gross amount required to be spent by the company during the period after adjustment, if any (a)-(b)	635.74	21.73
(d) Amount spent during the period ended on March 31, 2025:	533.24	21.73
i) Construction / acquisition of any asset	488.14	21.73
ii) On purposes other than (i) above	45.10	-
(e) Unspent Amount as on March 31, 2025 (c)-(d)	102.50	-
(f) Excess Amount spent as on March 31, 2025	-	-
(g) Surplus generated for CSR fund during previous year	-	-
(h) Amount Transferred to CSR Unspent account as per Companies Act, 2013	102.50	-
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2025	102.50	-
(j) Reason for shortfall	Fund is allocated for ongoing projects	NA
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.		
i) Trust Name	Manappuram Foundation	Manappuram Foundation
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promoting Health care including preventive healthcare d) Promotion of Health care and Women empowerment	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group. c) Promotion of Health care and Women empowerment d) Eradicating hunger, poverty and malnutrition e) Promotion of Healthcare/ preventive healthcare

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

For the year ended March, 2024

During the year, the Company incurred an aggregate amount of ₹ 395.95 Lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at March 31, 2024		
	Projects related to FY 2023-24	Projects related to FY 2022-23	Projects related to FY 2021-22
(a) Gross amount required to be spent by the company during the period as per Sec 135 of Companies Act, 2013	241.63	40.57	135.48
(b) Excess Amount spent in previous year	-	-	-
(c) Gross amount required to be spent by the company during the period after adjustment, if any (a)-(b)	241.63	40.57	135.48
(d) Amount spent during the period ended on March 31, 2024:	241.63	40.57	113.75
i) Construction / acquisition of any asset	130.93	40.57	113.75
ii) On purposes other than (i) above	110.70	-	-
(e) Unspent Amount as on March 31, 2024 (c)-(d)	-	-	21.73
(f) Excess Amount spent as on March 31, 2024	-	-	-
(g) Surplus generated for CSR fund during previous year	NA	NA	NA
(h) Amount Transferred to CSR Unspent account as per Companies Act, 2013	NA	NA	NA
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2024	NA	-	21.73
(j) Reason for shortfall	NA	NA	Fund is allocated for ongoing projects
(h) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.			

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2024		
	Projects related to FY 2023-24	Projects related to FY 2022-23	Projects related to FY 2021-22
i) Trust Name	Manappuram Foundation	Manappuram Foundation	Manappuram Foundation
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/ preventive healthcare d) Promotion of Health care and Women empowerment	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/ preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group. c) Promotion of Health care and Women empowerment d) Eradicating hunger, poverty and malnutrition e) Promotion of Healthcare/ preventive healthcare

49 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the years ended March 31, 2025, March 31, 2024.

50 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Loss after tax for the period ended March 31, 2025, no amount (the year ended March 31, 2024, ₹ 9,166.07 Lakhs) is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

51 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Notional expressed in INR	Maturity date	Changes in fair value of hedging instrument Assets	Changes in fair value of hedging instrument Liability	Line item in Balance Sheet
Cash flow hedge					
Foreign exchange forward contracts (Cross currency interest rate swaps) (USD)					
For the year ended March 31 2025	7,702.33		1,118.24	-	Derivative financial instruments
For the year ended March 31 2024	10,004.88		1,356.72	-	Derivative financial instruments
Foreign exchange forward contracts (Cross currency interest rate swaps) (EURO)					
For the year ended March 31 2025	-		-	-	Derivative financial instruments
For the year ended March 31 2024	-		-	-	Derivative financial instruments

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange forward contracts (Cross currency interest rate swaps)				
For the year ended March 31 2025	(238.48)	-	(79.54)	Finance Cost
For the year ended March 31 2024	(1,273.08)	-	(861.57)	Finance Cost

Hedged Item

ECB Loans	As at March 31, 2025	As at March 31, 2024
Change in the value of hedged item used as the basis for recognising hedge in effectiveness	(1,033.33)	(1,112.87)
Cash flow hedge reserve as at*	84.91	243.85
Hedging gains or losses recognised in other comprehensive income	(158.94)	(411.51)

The hedge ineffective portion is accounted for as Finance Cost under the profit and loss account

* Figures are gross of tax

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

52 Employee Stock Option Scheme (ESOS), 2019

(a) The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	02-Feb-19
Number of options approved	8,30,000
Date of grant	July 01, 2019
Number of options granted	8,30,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 01, 2021 and 35% after three years from the date of grant i.e. July 01, 2022 and the balance 35% after four year from the date of grant i.e. July 01, 2023
Exercisable period	1 year from graded vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of ₹ 364/- on July 01, 2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 01, 2021 and 35% after three years from the date of grant i.e. July 01, 2022 and the balance 35% after four years from the date of grant i.e. July 01, 2023. The exercise period commences from the date of vesting and will expire not later than one year from the date of vesting.

(b) The summary of the movements in options is given below:

	As at March 31, 2025	As at March 31, 2024
Options outstanding, beginning of year	17,500	64,750
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year period ended	-	18,375
Options lapsed during the year due to end of exercise period for tranche	17,500	28,875
Options Expired during the year	-	-
Options Exercised during the year	-	-
Options vested and Outstanding at the end of the year	-	17,500
Options outstanding at the year end comprise of :		
- Options eligible for exercise at the end of the year	-	17,500
- Options not eligible for exercise at the end of the year	-	-
	-	17,500

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the compensation cost for ESOS 2019 was required to be recognised based on the fair value on the date of grant i.e. in FY 2019-20. The Company has rectified the prior period error by giving retrospective effect of ESOP expenses and tax impact in the opening reserves of FY 2022-23, thereby providing reliable and more relevant information about the Company's financial position. The impact of such change is as follows:

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Financial line item	increase / (decrease)
	As at and for the year ended March 31, 2022
ESOP expense	143.96
Deferred Tax	36.24
Earnings per share (in ₹) (Face value of ₹ 10 per equity share)	
- Basic	(0.07)
- Diluted	(0.07)

Expenses recognised in the Profit and loss accounts for the year ended March 31, 2025, is ₹ 0 in Lakhs (for the year ended March 31, 2024 ₹ (0.64) in Lakhs)

Tax impact for year March 31, 2025 is ₹ 0 in Lakhs (for the year ended March 31, 2024 ₹ (0.16) in Lakhs)

(d) **The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under**

Grant Date	01/Jul/2019
Option Price Model	Black Scholes Method
Exercise Price	364
Share Price on Grant Date	239.37
Expected Volatility	0.5
Expected time to exercise shares	1 Year after Vesting i.e. last possible exercise date
Risk-free rate of return	6.61% - 7.00%
Dividend Yield	0
Fair Value of ESOP at Grant Date	63.24 - 96.7
Weighted Average Fair Value of ESOP at Grant Date	81.1845
Method used to determine expected volatility	The expected volatility is based on price volatility of similar NBFC Listed company.

53 Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Receivables considered good - Secured		
(b) Receivables considered good - Unsecured;	106.22	78.83
(c) Receivables which have significant increase in Credit Risk		
(d) Receivables - credit impaired		
Gross	106.22	78.83
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	106.22	78.83

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Trade receivables ageing

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7.63	23.62	-	74.96	-	106.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	78.81	0.02	-	-	-	78.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.

54 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	56.86	113.12
Total	56.86	113.12

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for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	56.86	-	-	-	56.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	87.70	25.34	0.08	-	113.12
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

55 Capital-Work-in-Progress (CWIP) and Intangible assets under development ageing as on March 31, 2025

A	Particulars	Out standing for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Capital-Work-in Progress (CWIP)	-	-	-	-	-
	Intangible assets under development	-	-	-	-	-

B For Capital work in progress and Intangible assets under development, there is no transaction whose completion is overdue or has exceeded its cost compared to its original plan.

56 Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2025 and March 31, 2024.

57 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025 and March 31, 2024.

58 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2025, March 31, 2024 are given below:

Name of the struck off company	Balance outstanding as at	
	March 31, 2025	March 31, 2024
Receivables (Loans outstanding)	-	-
Payables (Borrowings outstanding)	-	-
Payables (Trade Creditors)	-	-
Shares held by struck off company	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

	For the year ended	
	March 31, 2025	March 31, 2024
Value transactions conducted with the above Trade Creditor, being the company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.	-	-

In the financial year ended March 31, 2025 and financial year ended March 31, 2024 the Company has not conducted any transaction with Struck off companies.

59 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025.

60 Compliance with number of layers of companies

Not Applicable

61 Utilisation of Borrowed funds and share premium

During the year ended March 31, 2025, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

- (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

62 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2025 and March 31, 2024.

63 Details of stressed loans transferred and investment made in Security Receipts to ARCs:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) No of Accounts	88,172.00	1,24,545.00
(ii) Aggregate principal outstanding of loans transferred	20,003.57	29,525.87
(iii) Weighted average residual tenure of the loans transferred (Months)	11.80	9.49
(iv) Net book value of loans transferred (At the time of transfer)	10,761.84	16,360.48
(v) Aggregate consideration	8,500.00	14,645.00
(vi) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(vii) Investment in Security Receipts (SR)	7,390.00	12,669.05

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

64 Pursuant to the requirements of IND AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, during the year, the Company has carried out restatement of the comparative financial information and the impact of such restatement on the financial statement for the year ended March 31, 2023, and reporting periods beginning April 01, 2022 is as follows:

Financial line item	Increase / (Decrease)			As at April 01, 2022
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	
Employee benefit expenses	-	0.64	(21.02)	NA
Tax Expense	-	(0.16)	(508.79)	NA
Profit After Tax	-	(0.48)	(529.82)	NA
Other comprehensive income	-	180.92	(175.70)	NA
Total comprehensive Income / (Loss)		180.44	(1,235.34)	NA
Assets				
Investments	-	(241.77)	(659.14)*	(277.10)
Derivative financial instruments	-	-	(142.67)	(142.67)
Deferred tax assets (net)	-	51.64	666.97	116.55
Other Equity	-	190.13	12.45	(303.22)
Earnings per equity share (Face Value of ₹ 10/- per share)				
- Basic (₹)	-	-	(0.30)**	NA
- Diluted (₹)	-	-	(0.30)**	NA

*Includes accrued interest on G-Sec amounting to ₹ 147.25 lakhs which was reclassified to Other financial assets

**The Restated earnings per share (EPS) has been calculated after considering the impact of bonus shares (2:1) issued by the Company during the current financial year.

65 Disclosure as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

65.1 Exposure to Real Estate Sector

Particulars	As at March 31, 2025	As at March 31, 2024
Category		
Direct exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,654.32	3,572.78
(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	5.11	12.72
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	3,659.43	3,585.50

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

65.2 Exposure to capital market

The Company does not have any exposure to Capital market as at March 31, 2025 and March 31, 2024.

65.3 Customer complaints

Particulars	As at March 31, 2025	As at March 31, 2024
Complaints received by the NBFC from its customers		
1. No. of complaints pending as at beginning of the year	86	123
2. No. of complaints received during the year	22,492	16,830
3. No. of complaints disposed during the year	21,410	16,867
Of which, number of complaints rejected by the NBFC	543	275
4. No. of complaints pending as at end of the year	1,168	86
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	89	45
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	85	45
Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NIL	NIL
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	4	NIL
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of previous, number of complaints pending beyond 30 days
For the year ended March 31, 2025					
Insurance related	34	1,944	-10.37%	64	26
Collection related	26	11,806	79.50%	838	441
Loan Related	12	2,012	289.92%	20	9
Service Related	1	777	NA	-	-
CIBIL related	12	4,395	-1.06%	222	45
Others	1	1,558	-38.54%	24	3
Total	86	22,492		1,168	524
For the year ended March 31, 2024					
Insurance Related	69	2,169	26.25%	34	19
Collection Related	38	6,577	589.41%	26	9
Loan Related	5	516	12.17%	12	2
Staff Related	-	591	174.88%	1	-
CIBIL related	-	4,442	NA	12	-
Others	11	2,535	1316.20%	1	-
Total	123	16,830		86	30

*There were some errors in the data extracted by the company during the annual closing for the year ended March 2024, and same set of data was used by the Company for RBI reporting in the respective years. However, during the year ended as on March 31, 2025, some errors were identified by the Company, which were rectified, and the updated count is presented in the note.

Summary of Changes is as follows :

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Annual Report	Reclassified Figure
No. of complaints pending as on March 31, 2023	123	123
No. of complaints received during the period	2,246	16830
No. of complaint disposed during the period	2,283	16867
No. of complaints pending as on March 31, 2024	204	86

65.4 Intra Group Exposures

There is no Intra group exposures for the company

65.5 Instances of breach of covenant of loan availed or debt securities issued

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants, many of the borrowers across the microfinance industry were unable to service their loans on-time resulting in significantly elevated PAR, GNPA, NPA etc., The company was not immune to this industry trend and witnessed breach of some of the covenants due to elevated portfolio stress levels

Breach of Covenant	As at March 31, 2025	As at March 31, 2024
Number of Instances	53	10
Amount Involved (₹ In Lakhs)	3,19,343.34	50,127.04

65.6 Sectoral Exposure

Sectors	Year ended March 31, 2025			Year ended March 31, 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
i) Agriculture-Animal Husbandry	49,670.16	4,914.69	9.89%	64,130.69	1,919.60	2.99%
ii) Agriculture-Dairy	38,747.59	5,029.58	12.98%	62,679.70	4,580.97	7.31%
iii) Agriculture-Crops	5,14,993.19	55,237.76	10.73%	7,38,221.77	24,524.82	3.32%
iv) Agriculture - Others	9,119.13	1,087.87	11.93%	13,482.49	825.32	6.12%
Total (i+ii+iii+iv)	6,12,530.07	66,269.90	10.82%	8,78,514.65	31,850.71	3.63%
2. Industry						
i) Textile	16,894.48	2,095.81	12.41%	29,478.15	1,306.90	4.43%
ii) Others	16,621.78	3,543.45	21.32%	28,181.30	2,207.32	7.83%
Total (i+ii)	33,516.26	5,639.26	16.83%	57,659.45	3,514.22	6.09%
3. Services						
i) Trade	42,676.14	6,559.42	15.37%	73,225.19	5,827.92	7.96%
ii) Others	22,535.56	3,744.05	16.61%	47,016.69	3,816.27	8.12%
Total (i+ii)	65,211.71	10,303.48	15.80%	1,20,241.88	9,644.19	8.02%
4. Personal Loans						
i) Loan Against Gold Jewellery	92,838.44	1,454.29	1.57%	88,967.95	1,529.38	1.72%
ii) Product Loan	11,962.33	5,203.41	43.50%	36,400.34	5,953.94	16.36%
iii) Others	2,820.61	384.24	13.62%	6,269.56	303.73	4.84%
Total (i+ii+iii)	1,07,621.38	7,041.94	6.54%	1,31,637.85	7,787.05	5.92%

Notes Forming Part of the Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ lakhs unless otherwise stated)

65.7 Loans and contracts awarded to Directors, Senior Officers and relatives of Directors -Disclosure as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025):

	As at March 31, 2025	As at March 31, 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

65.8 Divergence in asset classification and provisioning -

As per the requirement of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025) - There is no diversion in Asset classification and provisioning

- 66** On October 17 2024, the Reserve Bank of India (RBI) directed the company to cease and desist from sanction or disbursal of loans from October 21 2024. However, the company was permitted to continue servicing its existing customers and carry out collection and recovery processes in accordance with the extant regulatory guidelines. These business restrictions were lifted by RBI vide their order dated January 08, 2025.

67 Details of Auctions Held During the Year 2024-25

Additional disclosures as required by RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dt. October 19, 2023 (Updated as on February 27, 2025)

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (₹ in Lakhs)	Interest Amount outstanding at the dates of auctions (B) (₹ in Lakhs)	Total (A+B) (₹ in Lakhs)	Value fetched (₹ in Lakhs)
March 31, 2025	2076	1,171.70	633.41	1,805.11	1,604.60
March 31, 2024	2661	1,632.02	573.09	2,205.11	1,609.92

Note: No sister concerns participated in the auctions held during the financial year ended on March 31, 2025 and March 31, 2024

68 Previous year figures

Previous year's figures had been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For A.JOHN MORIS & Co

Chartered Accountants
ICAI Firm Registration No: 007220S

K.V.Sivakumar

Partner
ICAI Membership Number: 027437

Date: May 06, 2025
Place: Valapad

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman
(DIN No.00044512)

Rajesh KRN Namboodiripad

Chief Financial Officer
Date: May 06, 2025
Place: Valapad

B N Raveendra Babu

Managing Director
(DIN No.00043622)

Aparna Menon

Company Secretary



Small Loans... Big Dreams..