

ALLIUM  
FINANCE  
PRIVATE LIMITED

## **Allium Finance Private Limited**

**Corporate Identity Number: U67120MH2008PTC180229**

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**Financial Statement for the year ended March 31, 2023**

**Independent Auditor's Report****To the Members of Allium Finance Private Limited  
Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Allium Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

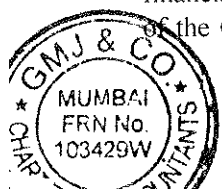
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

**Management's Responsibilities for the Ind AS Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian



Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and

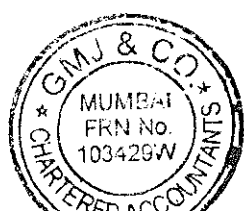


timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

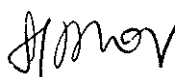
### Report on Other Legal and Regulatory Requirements

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 Order.
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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards 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 on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 51(A) to the 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, 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 Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

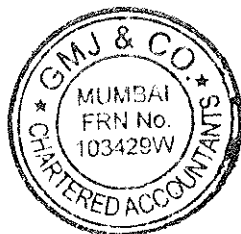


- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 51(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W



Haridas Bhat  
Partner  
Membership No.: 039070

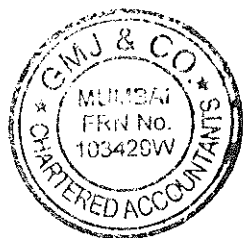


UDIN: 23039070BGTOUQ5229  
Place: Mumbai  
Date: May 19, 2023

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Allium Finance Private Limited ('the Company') on the financial statements for the year ended March 31, 2023, we report that:**

- (i) (a) to (d) Based on our examination of documents and records, the Company does not own any property, plant and equipment as at balance sheet date and also the Company has not capitalized any intangible assets in its books. Accordingly, the requirement to report on clauses 3(i)(a) to 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company, the requirement to report under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the grant of all loans during the year to companies are not prejudicial to the Company's interest. Further as per the information given by the management, during the year the Company has not granted any advances in the nature of loans or has not made any investments in companies, firms, Limited Liability Partnerships or any other parties or provided any guarantees or given any security.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loans to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in case of one loan case amounting to Rs. 6,749.94 thousand where the repayments are not regular.
- (d) Out of all loans granted, one loan is overdue for more than ninety days of which total overdue amount is Rs. 6,749.94 thousand. The Company has provided Rs. 6,749.94 thousand in its books of accounts and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company and accordingly, the requirement to report on clause 3(iii)(e) is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



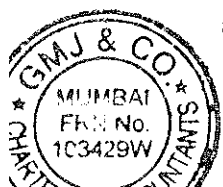
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, investments, guarantees and securities in respect of which the provisions of section 186(1) of the Companies Act 2013 are applicable have been complied with by the Company. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.
- (v) According to the information and explanations given by the management, 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) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report 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 our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, provident fund, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to employees' state insurance, service tax, sales tax, duty of excise, duty of custom, value added tax and cess are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed loans or borrowings from any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) The Company has not taken any term loan during the year. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year. Hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.



- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company has been registered as required under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 for conducting Non-Banking Financial activities and hence requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- (xix) On the basis of the financial ratios disclosed in note 38.02 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans

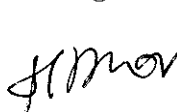




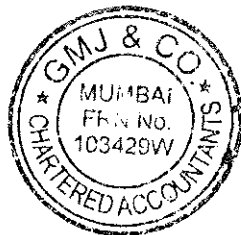
and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 27.B to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 27.B to the financial statements.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W



Haridas Bhat  
Partner  
Membership No.: 039070



UDIN: 23039070BGTOUQ5229

Place: Mumbai  
Date: May 19, 2023

## Annexure B to the Auditors' Report

**Annexure B the Independent Auditor's report of even date on the financial statements of Allium Finance Private Limited ("the Company")**

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

We have audited the internal financial controls over financial reporting of **Allium Finance Private Limited ("the Company")** as of March 31, 2023 in conjunction with our audit of financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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



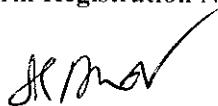
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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.

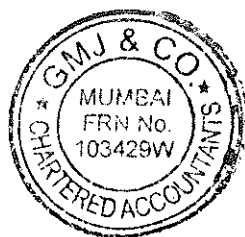
**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 issued by the Institute of Chartered Accountants of India.

**For GMJ & Co.**  
**Chartered Accountants**  
**Firm Registration No. 103429W**



**Haridas Bhat**  
**Partner**  
**Membership No.: 039070**



UDIN: 23039070BGTUOUQ5229

Place: Mumbai  
Date: May 19, 2023

Allium Finance Private Limited

Balance Sheet as at 31 March 2023

(Currency : Indian ₹ in Thousands)

|  | Note | As at<br>31 March 2023     | As at<br>31 March 2022     |
|--|------|----------------------------|----------------------------|
| <b>I. ASSETS</b>   |      |                            |                            |
| <b>(1) Non-current assets</b>  |      |                            |                            |
| (a) Financial assets   |      |                            |                            |
| (i) Investments  | 7    | 10,71,456.09               | 10,61,381.43               |
| (ii) Loans   | 8    | 2,29,070.68                | -                          |
| (b) Non-Current tax assets (net)   | 9    | 4,352.15                   | 3,889.84                   |
| (c) Deferred tax assets (net)  | 10   | -                          | 12,231.87                  |
| (d) Other non-current assets   | 11   | 1,732.01                   | 1,598.63                   |
|  |      | <u>13,06,610.93</u>        | <u>10,79,101.77</u>        |
| <b>(2) Current assets</b>  |      |                            |                            |
| Financial assets   |      |                            |                            |
| (i) Investments  | 7    | -                          | 23,567.57                  |
| (ii) Cash and cash equivalents   | 12   | 2,401.58                   | 262.31                     |
| (iii) Loans  | 8    | 2,329.46                   | 1,70,648.90                |
|  |      | <u>4,731.04</u>            | <u>1,94,478.78</u>         |
| <b>TOTAL ASSETS</b>  |      | <u><b>13,11,341.97</b></u> | <u><b>12,73,580.55</b></u> |
| <b>II. EQUITY AND LIABILITIES</b>  |      |                            |                            |
| <b>EQUITY</b>  |      |                            |                            |
| (a) Equity share capital   | 13   | 17,343.39                  | 17,343.39                  |
| (b) Instruments entirely equity in nature  | 14   | 50,913.85                  | 50,913.85                  |
| (c) Other equity   | 15   | 12,40,084.26               | 12,03,375.22               |
|  |      | <u>13,08,341.50</u>        | <u>12,71,632.46</u>        |
| <b>LIABILITIES</b>   |      |                            |                            |
| <b>(1) Non-current liabilities</b>   |      |                            |                            |
| Deferred tax liabilities   | 16   | 1,134.40                   | -                          |
|  |      | <u>1,134.40</u>            | <u>-</u>                   |
| <b>(2) Current liabilities</b>   |      |                            |                            |
| (a) Financial liabilities  |      |                            |                            |
| (i) Trade payables   |      |                            |                            |
| - total outstanding dues of micro enterprises and small enterprises                      |      | 50.00                      | -                          |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 17   | 311.13                     | 531.00                     |
| (ii) Other financial liabilities   | 18   | 5.58                       | 2.08                       |
| (b) Other current liabilities  | 19   | 109.34                     | 18.12                      |
| (c) Current tax liabilities  | 20   | 1,390.02                   | 1,396.89                   |
|  |      | <u>1,866.07</u>            | <u>1,948.09</u>            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <u><b>13,11,341.97</b></u> | <u><b>12,73,580.55</b></u> |

Significant accounting policies and notes to the financial statements

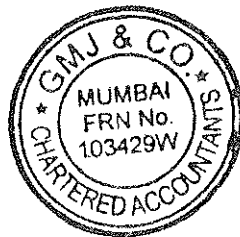
1 to 51

As per our report of even date attached.

For GMJ & Co.  
Chartered Accountants  
Firm's Registration No. 103429W

Haridas Bhat  
Partner  
Membership No: 039070

Mumbai  
19 May 2023

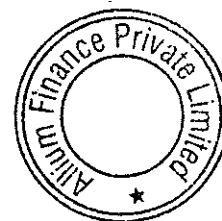


For and on behalf of the Board of Directors

Rajeev Khandal  
Director  
DIN : 07340336

Mumbai  
19 May 2023

Amit Agarwal  
Director  
DIN : 06396342



Allium Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2023

(Currency : Indian ₹ in Thousands)

|  | Note | For the year ended |                    |
|--|------|--------------------|--------------------|
|  |      | 31 March 2023      | 31 March 2022      |
| <b>I. Revenue from operations</b>                            |      |                    |                    |
| Interest income  | 21   | 52,476.02          | 3,66,162.16        |
| Net gain / (loss) on fair value changes                      | 22   | 5,873.46           | (22,588.63)        |
| <b>Total Revenue from operations</b>                         |      | <b>58,349.48</b>   | <b>3,43,573.53</b> |
| <b>II. Other income</b>                                      | 23   | 25.21              | -                  |
| <b>III. Total income</b>                                     |      | <b>58,374.69</b>   | <b>3,43,573.53</b> |
| <b>IV. Expenses</b>  |      |                    |                    |
| Finance costs  | 24   | 0.06               | 825.89             |
| Impairment on financial instruments                          | 25   | (9,951.84)         | (1,945.49)         |
| Employee benefits expense                                    | 26   | 6.00               | 16.19              |
| Other expenses   | 27   | 5,477.35           | 4,235.60           |
| <b>Total expenses</b>  |      | <b>(4,468.43)</b>  | <b>3,132.19</b>    |
| <b>V. Profit before tax</b>                                  |      | <b>62,843.12</b>   | <b>3,40,441.34</b> |
| <b>VI. Tax expenses:</b>                                     |      |                    |                    |
| Current tax  | 28   | 12,767.82          | 92,595.16          |
| Deferred tax   |      | 13,366.26          | (4,997.27)         |
| <b>VII. Profit for the year from continuing operations</b>   |      | <b>36,709.04</b>   | <b>2,52,843.45</b> |
| <b>Other Comprehensive Income</b>                            |      |                    |                    |
| <b>Items that will not be reclassified to profit or loss</b> |      |                    |                    |
| - Remeasurement gain / (loss) on defined benefit plans (OCI) |      | -                  | 19.00              |
| <b>Total</b>   |      | -                  | <b>19.00</b>       |
| <b>Total Comprehensive Income</b>                            |      | <b>36,709.04</b>   | <b>2,52,862.45</b> |
| <b>Earnings per equity share (Face value of ₹ 10 each):</b>  |      |                    |                    |
| <b>Basic and Diluted (in ₹)</b>                              | 30   | 5.38               | 37.04              |

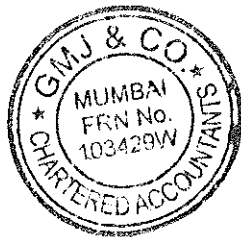
Significant accounting policies and notes to the financial statements.

1 to 51

As per our report of even date attached.

For GMJ & Co.  
Chartered Accountants  
Firm's Registration No. 103429W

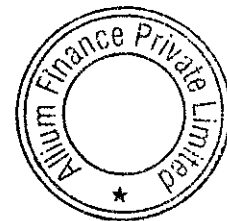
Haridas Bhat  
Partner  
Membership No: 039070  
Mumbai  
19 May 2023



For and on behalf of the Board of Directors

Rajeev Khandal  
Director  
DIN : 07340336  
Mumbai  
19 May 2023

Amit Agarwal  
Director  
DIN : 06396342



## Statement of Cash Flow for the year ended 31 March 2023

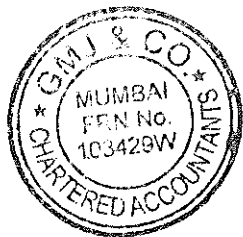
(Currency : Indian ₹ in Thousands)

| Particulars  | For the year ended |                      |
|--|--------------------|----------------------|
|  | 31 March 2023      | 31 March 2022        |
| <b>A Cash flow from operating activities</b>                             |                    |                      |
| Profit before taxation   | 62,843.12          | 3,40,441.34          |
| <i>Adjustments for</i>   |                    |                      |
| Expected credit loss provision   | (9,951.84)         | (1,945.49)           |
| Interest Income on investment  | (74.25)            | (25.75)              |
| Interest Income on security receipts                                     | (1,079.31)         | (7,555.68)           |
| Net gain on fair value changes   | (5,873.46)         | 22,588.63            |
| <b>Operating cash flow before working capital changes</b>                | <b>45,864.26</b>   | <b>3,53,503.05</b>   |
| <i>Adjustments for working capital changes</i>                           |                    |                      |
| Decrease / (Increase) in receivable from financing business              | (50,799.40)        | 6,55,120.14          |
| Decrease / (Increase) in other financial assets                          | -                  | 1,843.83             |
| Decrease / (Increase) in other non financial assets                      | (133.38)           | (46.44)              |
| (Decrease) / Increase in short term provision                            | -                  | (114.09)             |
| (Decrease) / Increase in trade payables                                  | (169.87)           | 114.80               |
| (Decrease) / Increase in other financial liabilities                     | 3.50               | (71.56)              |
| (Decrease) / Increase in other non financial liabilities                 | 91.22              | (15.39)              |
| <b>Cash generated from / (used in) operations</b>                        | <b>(5,143.67)</b>  | <b>10,10,334.34</b>  |
| Income taxes paid  | (13,236.99)        | (97,375.71)          |
| <b>Net cash generated from / (used in) operating activities - A</b>      | <b>(18,380.66)</b> | <b>9,12,958.63</b>   |
| <b>B Cash flow from investing activities</b>                             |                    |                      |
| Purchase of non-current investments                                      | -                  | (10,00,000.00)       |
| Interest on investment   | 1,079.31           | 7,581.43             |
| Proceeds from redemption of security receipts                            | 19,440.62          | 79,089.06            |
| Purchase of investments  | -                  | -                    |
| <b>Net cash generated from / (used in) investing activities - B</b>      | <b>20,519.93</b>   | <b>(9,13,329.51)</b> |
| <b>C Cash flow from financing activities - C</b>                         |                    |                      |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>    | <b>2,139.27</b>    | <b>(370.88)</b>      |
| Cash and cash equivalent as at the beginning of the Year (Refer Note 12) | 262.31             | 633.19               |
| Cash and cash equivalent as at the end of the Year (Refer Note 12)       | 2,401.58           | 262.31               |

As per our report of even date attached.

For GMJ & Co.  
Chartered Accountants  
Firm's Registration No. 103429W

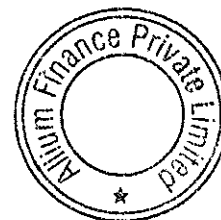
Haridas Bhat  
Partner  
Membership No: 039070  
Mumbai  
19 May 2023



For and on behalf of the Board of Directors

Rajeev Khandal  
Director  
DIN : 07340336  
Mumbai  
19 May 2023

Amit Agarwal  
Director  
DIN : 06396342



## Statement of Changes in Equity as at 31 March 2023

(Currency : Indian ₹ in Thousands)

## A. Equity share capital

| Particulars          | 31 March 2023       |                        |                     | 31 March 2022       |                        |                     |
|----------------------|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|
|                      | As at 01 April 2022 | Issued during the year | As at 31 March 2023 | As at 01 April 2022 | Issued during the year | As at 31 March 2022 |
| Equity Share capital | 17,343.39           | -                      | 17,343.39           | 17,343.39           | -                      | 17,343.39           |

## B. Instruments entirely equity in nature

| Particulars   | 31 March 2023       |                        |                     | 31 March 2022       |                        |                     |
|---|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|
|   | As at 01 April 2022 | Issued during the year | As at 31 March 2023 | As at 01 April 2022 | Issued during the year | As at 31 March 2022 |
| 0.01% - Compulsorily Convertible Non- cumulative Preference shares - "Series A" | 50,913.85           | -                      | 50,913.85           | 50,913.85           | -                      | 50,913.85           |

## C. Other equity

| Particulars                                    | Securities Premium | Special Reserve under section 45-1C of the Reserve Bank of India Act, 1934 | Retained earnings  | Total               |
|--|--------------------|--|--------------------|---------------------|
| Balance at 31 March 2021                       | 6,24,808.26        | 80,477.30  | 2,45,227.21        | 9,50,512.77         |
| Profit for the year                            | -                  | -  | 2,52,843.45        | 2,52,843.45         |
| Other comprehensive income                     | -                  | -  | 19.00              | 19.00               |
| <b>Total Comprehensive Income for the year</b> | -                  | -  | <b>2,52,862.45</b> | <b>2,52,862.45</b>  |
| Transfers to / from retained earnings          | -                  | 50,568.70  | (50,568.70)        | -                   |
| <b>Balance at 31 March 2022</b>                | <b>6,24,808.26</b> | <b>1,31,046.00</b>   | <b>4,47,520.96</b> | <b>12,03,375.22</b> |
| Profit for the year                            | -                  | -  | 36,709.04          | 36,709.04           |
| Other comprehensive income                     | -                  | -  | -                  | -                   |
| <b>Total Comprehensive Income for the year</b> | -                  | -  | <b>36,709.04</b>   | <b>36,709.04</b>    |
| Transfers to / from retained earnings          | -                  | 7,341.81   | (7,341.81)         | -                   |
| <b>Balance at 31 March 2023</b>                | <b>6,24,808.26</b> | <b>1,38,387.81</b>   | <b>4,76,888.19</b> | <b>12,40,084.26</b> |

## Nature and purpose of Reserves

## a. Securities Premium Reserve

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

## b. Special Reserve

Reserve created under 45-1C(1) of The Reserve Bank of India Act, 1934, a sum not less than twenty per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared.

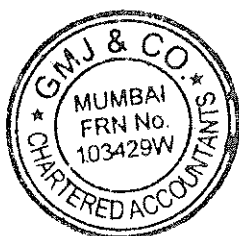
## c. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

As per our report of even date attached.

For GMJ & Co.  
Chartered Accountants  
Firm's Registration No. 103429W

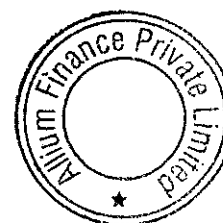
Haridas Bhat  
Partner  
Membership No: 039070  
Mumbai  
19 May 2023



For and on behalf of the Board of Directors

*Rajeev Khandal*  
Rajeev Khandal  
Director  
DIN : 07340336  
Mumbai  
19 May 2023

*Amit Agarwal*  
Amit Agarwal  
Director  
DIN : 06396342



## Allium Finance Private Limited

### Notes to the financial statements

#### 1. Corporate information:

Allium Finance Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company was incorporated on March 18, 2008 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company is engaged in the business of advancing of loans.

#### 2. Basis of preparation

The Special Purpose Financial Statements (the "Financial Statements") of the Company have been prepared in accordance with Indian accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These Financial Statements are presented in accordance with Division II of Schedule III of Companies Act, 2013 for the purpose of submission to Edelweiss Rural & Corporate Services Limited ("Holding Company") for the preparation of its consolidated Financial Statements for the year ended March 31, 2023.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees in thousand (INR), except when otherwise indicated.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

#### 3. Presentation of financial statements:

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

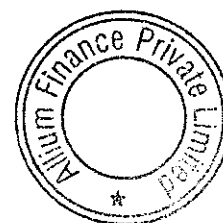
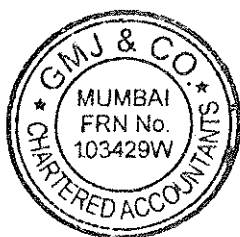
- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

All assets and liabilities are classified into current and non-current

##### Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.





## Allium Finance Private Limited

### Notes to the financial statements

#### Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

#### 4. Significant accounting policies

##### 4.1 Recognition of interest income and dividend income

###### 4.1.1 Effective interest rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

###### 4.1.2 Interest income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

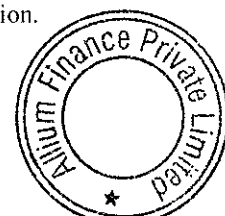
##### 4.2 Financial instruments:

###### 4.2.1 Date of recognition:

Financial Assets and financial liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

###### 4.2.2 Initial measurement of financial instruments:

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



## Allium Finance Private Limited

### Notes to the financial statements (continued)

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 4.2.3 Day 1 profit and loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### 4.2.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

##### **Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

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

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

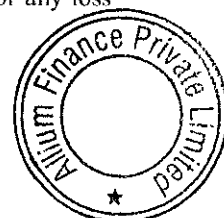
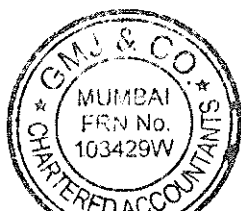
#### 4.3 Financial assets and liabilities:

##### 4.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss



## **Allium Finance Private Limited**

### **Notes to the financial statements (continued)**

allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

#### **4.3.2 Financial liabilities:**

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

#### **4.3.3 Financial assets and financial liabilities at fair value through profit or loss:**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

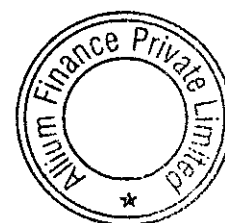
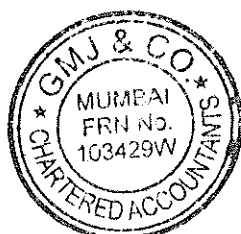
#### **4.3.4 Loan commitment**

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

#### **4.3.5 Financial liabilities and equity instruments**

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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



## **Allium Finance Private Limited**

### **Notes to the financial statements (continued)**

#### **4.4 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### **4.5 Derecognition of financial Instruments:**

##### **4.5.1 Derecognition of financial asset**

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

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

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

A transfer only qualifies for derecognition if either:

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

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

##### **4.5.2 Derecognition of financial liabilities**

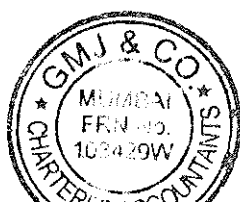
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such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

#### **4.6 Impairment of financial assets:**

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

##### **Simplified approach**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss (ECL) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables



## Allium Finance Private Limited

### Notes to the financial statements (continued)

contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

#### General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categorises its financial assets as follows:

#### Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

#### Stage 2 assets:

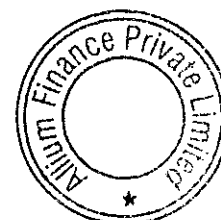
Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

#### Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company's product offering includes a facilities with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.



## Allium Finance Private Limited

### Notes to the financial statements (continued)

#### 4.7 Collateral valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a monthly/quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the company uses active market data for valuing financial assets held as collateral.

#### 4.8 Write-offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

#### 4.9 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

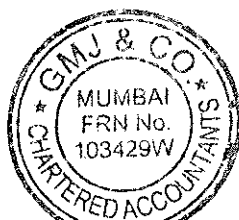
#### 4.10 Determination of fair value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:



## Allium Finance Private Limited

### Notes to the financial statements (continued)

#### Level 1 financial instruments:

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

#### Level 2 financial instruments:

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

#### Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

#### 4.11 Operating leases:

Accounting policy applicable from April 1, 2019

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

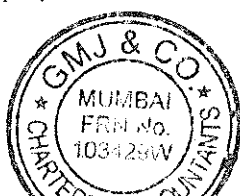
Company as a lessee:

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received)

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments



## Allium Finance Private Limited

### Notes to the financial statements (continued)

unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

#### Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payments made under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

#### 4.12 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

#### 4.13 Retirement and other employee benefit:

##### 4.13.1 Provident fund and national pension scheme:

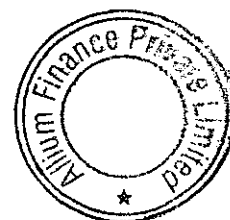
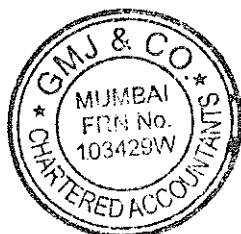
The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

##### 4.13.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.





## Allium Finance Private Limited

### Notes to the financial statements (continued)

#### 4.13.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

##### 4.13.3.1 Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent company are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### 4.14 Impairment of non-financial assets:

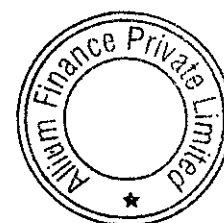
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to 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 recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

#### 4.15 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.



## Allium Finance Private Limited

### Notes to the financial statements (continued)

#### 4.16 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### 4.16.1 Current tax:

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

##### 4.16.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

##### Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

##### 4.16.3 Current and deferred tax for the year:

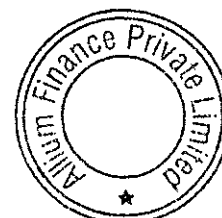
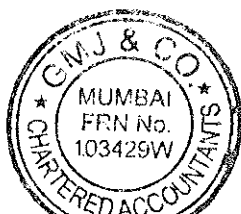
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 4.17 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

#### 5. Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



## Allium Finance Private Limited

### Notes to the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **5.1 Business model assessment:**

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's 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 is 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 quantum, 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 so a prospective change to the classification of those assets.

#### **5.2 Significant increase in credit risk:**

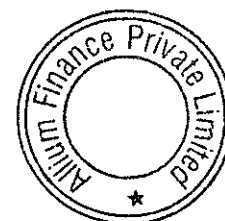
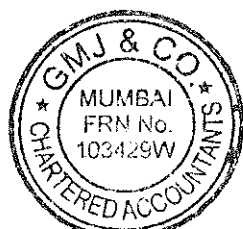
ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

#### **Key sources of estimation uncertainty:**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **5.3 Fair value of financial instruments:**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.



## Allium Finance Private Limited

### Notes to the financial statements (continued)

#### 5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

#### 5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

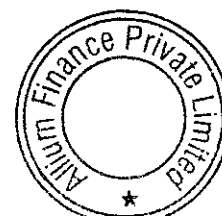
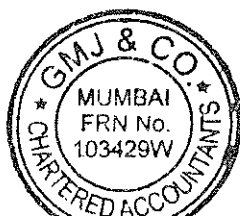
#### 5.6 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 5.7 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where



## Allium Finance Private Limited

### Notes to the financial statements (continued)

the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

#### 5.8 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

#### 6. Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

##### (i) Amendment to Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

##### (ii) Amendment to Ind AS 1- Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

##### (iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

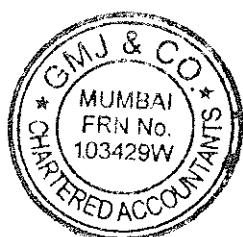
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

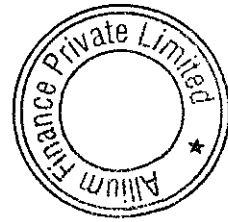
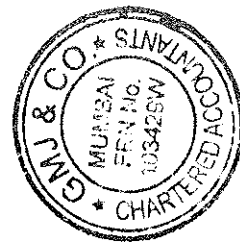
The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.



## 7 Investments

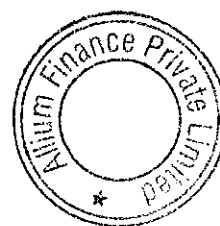
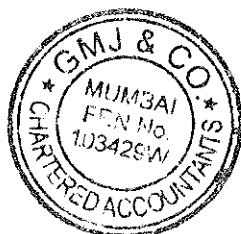
| Particulars   | As at 31 March 2023 |           |                     |                         | As at 31 March 2022 |           |                     |                         |
|---|---------------------|-----------|---------------------|-------------------------|---------------------|-----------|---------------------|-------------------------|
|   | Face Value          | Quantity  | Current Investments | Non Current Investments | Face Value          | Quantity  | Current Investments | Non Current Investments |
| <b>At Fair value through Profit or loss</b>                               |                     |           |                     |                         |                     |           |                     |                         |
| <b>Investments in Security receipts</b>                                   |                     |           |                     |                         |                     |           |                     |                         |
| - EARC - SAF 1 -Trust   | -                   | -         | -                   | -                       | 431.32              | 2,55,000  | 18,136.05           | -                       |
| - EARC - SAF 2 -Trust   | 12.68               | 10,000    | -                   | 3,487.94                | 12.68               | 10,000    | 5,431.52            | -                       |
| - EARC Trust SC 297   | -                   | -         | -                   | -                       | 1.00                | 3,38,621  | -                   | 1,319.80                |
| - EARC TRUST SC 337   | 1.00                | 47,325    | -                   | 23.66                   | 1.00                | 47,325    | -                   | 23.66                   |
| - EARC Trust SC 391   | 948.85              | 73,950    | -                   | 67,844.49               | 948.85              | 73,950    | -                   | 60,012.22               |
| Less : Allowance for impairment   |                     |           |                     |                         |                     |           |                     |                         |
| <b>Total - A</b>  |                     |           |                     | <b>71,356.09</b>        |                     |           | <b>23,567.57</b>    | <b>61,355.68</b>        |
| <b>At Amortised cost</b>  |                     |           |                     |                         |                     |           |                     |                         |
| <b>Investments in Compulsorily Convertible debentures (fully paid up)</b> |                     |           |                     |                         |                     |           |                     |                         |
| 0.01% Ecap Equities Limited   | 1,000               | 10,00,000 | -                   | 10,00,000.00            | 1,000               | 10,00,000 | -                   | 10,00,000.00            |
| Add : Interest Accrued  |                     |           |                     | 100.00                  |                     |           |                     | 25.75                   |
| <b>Total - B</b>  |                     |           |                     | <b>10,00,100.00</b>     |                     |           |                     | <b>10,00,025.75</b>     |
| <b>Total - A+B</b>  |                     |           |                     | <b>10,71,456.09</b>     |                     |           | <b>23,567.57</b>    | <b>10,61,381.43</b>     |
| (i) Investments outside India   |                     |           |                     |                         |                     |           |                     |                         |
| (ii) Investment in India  |                     |           |                     | 10,71,456.09            |                     |           | 23,567.57           | 10,61,381.43            |
| <b>Total</b>  |                     |           |                     | <b>10,71,456.09</b>     |                     |           | <b>23,567.57</b>    | <b>10,61,381.43</b>     |



## Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at 31 March 2023 |                    | As at 31 March 2022 |                    |
|--|---------------------|--------------------|---------------------|--------------------|
|  | Current Assets      | Non Current Assets | Current Assets      | Non Current Assets |
| <b>8 Loans</b>   |                     |                    |                     |                    |
| <i>(at amortised cost)</i>   |                     |                    |                     |                    |
| <b>Term loans:</b>   |                     |                    |                     |                    |
| Corporate credit   | 9,079.40            | 2,30,000.00        | 1,88,280.00         | -                  |
| <b>Total gross</b>   | <b>9,079.40</b>     | <b>2,30,000.00</b> | <b>1,88,280.00</b>  | -                  |
| Less: Impairment loss allowance  | (6,749.94)          | (929.32)           | (17,631.10)         | -                  |
| <b>Total (net)</b>   | <b>2,329.46</b>     | <b>2,29,070.68</b> | <b>1,70,648.90</b>  | -                  |
| Secured by tangible assets (Property including land and building and security) | -                   | -                  | 36,749.94           | -                  |
| Unsecured  | 9,079.40            | 2,30,000.00        | 1,51,530.06         | -                  |
| <b>Total gross</b>   | <b>9,079.40</b>     | <b>2,30,000.00</b> | <b>1,88,280.00</b>  | -                  |
| Less: Impairment loss allowance  | (6,749.94)          | (929.32)           | (17,631.10)         | -                  |
| <b>Total (net)</b>   | <b>2,329.46</b>     | <b>2,29,070.68</b> | <b>1,70,648.90</b>  | -                  |
| <b>Loans in India</b>  |                     |                    |                     |                    |
| Public sector  | -                   | -                  | -                   | -                  |
| Others   | 9,079.40            | 2,30,000.00        | 1,88,280.00         | -                  |
| <b>Total gross</b>   | <b>9,079.40</b>     | <b>2,30,000.00</b> | <b>1,88,280.00</b>  | -                  |
| Less: Impairment loss allowance  | (6,749.94)          | (929.32)           | (17,631.10)         | -                  |
| <b>Total (net)</b>   | <b>2,329.46</b>     | <b>2,29,070.68</b> | <b>1,70,648.90</b>  | -                  |



## 8.i Credit Quality of Assets

Gross carrying amount of loan assets allocated to Stage I, Stage II and Stage III :

## a Credit Quality of Assets

| Particular                     | As at 31 March 2023 |          |                 |                    | As at 31 March 2022 |          |                  |                    |
|--------------------------------|---------------------|----------|-----------------|--------------------|---------------------|----------|------------------|--------------------|
|                                | Stage I             | Stage II | Stage III       | Total              | Stage I             | Stage II | Stage III        | Total              |
| <b>Performing</b>              |                     |          |                 |                    |                     |          |                  |                    |
| High Grade                     | 2,32,329.46         | -        | -               | 2,32,329.46        | 1,51,530.06         | -        | -                | 1,51,530.06        |
| Standard grade                 | -                   | -        | -               | -                  | -                   | -        | -                | -                  |
| Sub-Standard grade             | -                   | -        | -               | -                  | -                   | -        | -                | -                  |
| <b>Non-Performing</b>          |                     |          |                 |                    |                     |          |                  |                    |
| Individually impaired          | -                   | -        | 6,749.94        | 6,749.94           | -                   | -        | 36,749.94        | 36,749.94          |
| <b>Closing Balance - Gross</b> | <b>2,32,329.46</b>  | <b>-</b> | <b>6,749.94</b> | <b>2,39,079.40</b> | <b>1,51,530.06</b>  | <b>-</b> | <b>36,749.94</b> | <b>1,88,280.00</b> |

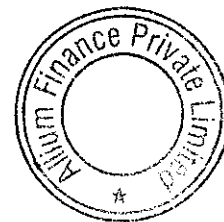
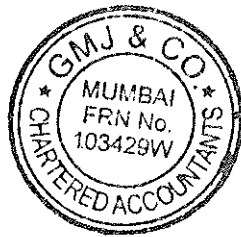
## b Reconciliation of changes in gross carrying amount and allowances for loans and advances

## For the year ended 31 March 2023

| Particulars                              | Non Credit Impaired   |                   |                       |                   | Credit Impaired       |                   | Total                 |                   |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
|  | Stage I               |                   | Stage II              |                   | Stage III             |                   | Gross carrying amount | Allowance for ECL |
|  | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL |                       |                   |
| Opening Balance 01 April 2022            | 1,51,530.06           | 606.12            | -                     | -                 | 36,749.94             | 17,024.98         | 1,88,280.00           | 17,631.10         |
| Net new and further ending /(repayments) | 80,799.40             | 323.20            | -                     | -                 | (30,000.00)           | (10,275.04)       | 50,799.40             | (9,951.84)        |
| <b>Closing Balance</b>                   | <b>2,32,329.46</b>    | <b>929.32</b>     | <b>-</b>              | <b>-</b>          | <b>6,749.94</b>       | <b>6,749.94</b>   | <b>2,39,079.40</b>    | <b>7,679.26</b>   |

## For the year ended 31 March 2022

| Particulars                              | Non Credit Impaired   |                   |                       |                   | Credit Impaired       |                   | Total                 |                   |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
|  | Stage I               |                   | Stage II              |                   | Stage III             |                   | Gross carrying amount | Allowance for ECL |
|  | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL |                       |                   |
| Opening Balance 01 April 2021            | 8,06,650.20           | 3,226.60          | -                     | -                 | 36,749.94             | 16,349.98         | 8,43,400.14           | 19,576.58         |
| Net new and further ending /(repayments) | (6,55,120.14)         | (2,620.48)        | -                     | -                 | -                     | 675.00            | (6,55,120.14)         | (1,945.48)        |
| <b>Closing Balance</b>                   | <b>1,51,530.06</b>    | <b>606.12</b>     | <b>-</b>              | <b>-</b>          | <b>36,749.94</b>      | <b>17,024.98</b>  | <b>1,88,280.00</b>    | <b>17,631.10</b>  |



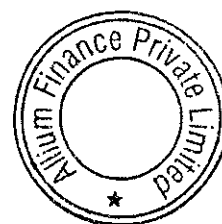
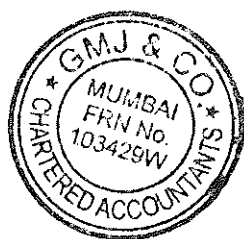


Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at 31 March 2023 |                 | As at 31 March 2022 |                  |
|--|---------------------|-----------------|---------------------|------------------|
|  | Current Assets      | Non Current     | Current Assets      | Non Current      |
| <b>9 Non-Current tax assets (net)</b>  |                     |                 |                     |                  |
| Advance income taxes (net of provision for taxation)                                       | -                   | 4,352.15        | -                   | 3,889.84         |
|  | -                   | <b>4,352.15</b> | -                   | <b>3,889.84</b>  |
| <b>10 Deferred tax assets (net)</b>  |                     |                 |                     |                  |
| Expected credit loss provision   | -                   | -               | -                   | 3,928.06         |
| Fair valuation of investments  | -                   | -               | -                   | 8,303.81         |
|  | -                   | -               | -                   | <b>12,231.87</b> |
| <b>11 Other non-current assets</b><br>(Unsecured Considered good, unless stated otherwise) |                     |                 |                     |                  |
| Input tax credit   | -                   | 1,732.01        | -                   | 1,598.63         |
|  | -                   | <b>1,732.01</b> | -                   | <b>1,598.63</b>  |
| <b>12 Cash and cash equivalents</b>  |                     |                 |                     |                  |
| Balances with banks in current account   | 2,401.58            | -               | 262.31              | -                |
|  | <b>2,401.58</b>     | -               | <b>262.31</b>       | -                |



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>13 Equity share capital</b>   |                        |                        |
| <b>Authorised :</b>  |                        |                        |
| 2,100,000 (Previous year: 2,100,000) Equity shares of ₹ 10 each                | 21,000.00              | 21,000.00              |
| 55,00,000 (Previous year: 55,00,000) Preference shares of ₹ 10 each            | 55,000.00              | 55,000.00              |
|  | <u>76,000.00</u>       | <u>76,000.00</u>       |
| <b>Issued, subscribed and paid up:</b>   |                        |                        |
| 1,734,339 (Previous year: 1,734,339) Equity shares of ₹ 10 each, fully paid-up | 17,343.39              | 17,343.39              |
|  | <u>17,343.39</u>       | <u>17,343.39</u>       |

a. **Movement in share capital :**  
**Equity Shares**

Outstanding at the beginning of the year  
Shares issued during the year  
Outstanding at the end of the year

| As at 31 March 2023 |                  | As at 31 March 2022 |                  |
|---------------------|------------------|---------------------|------------------|
| No of shares        | Amount           | No of shares        | Amount           |
| 17,34,339           | 17,343.39        | 17,34,339           | 17,343.39        |
| <u>17,34,339</u>    | <u>17,343.39</u> | <u>17,34,339</u>    | <u>17,343.39</u> |

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share held. 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.

b. **Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Equity Share

Holding company

Edelweiss Rural & Corporate Services Limited

| As at 31 March 2023 |               | As at 31 March 2022 |               |
|---------------------|---------------|---------------------|---------------|
| No of shares        | %             | No of shares        | %             |
| 9,34,339            | 53.87%        | 8,00,000            | 46.13%        |
| <u>9,34,339</u>     | <u>53.87%</u> | <u>8,00,000</u>     | <u>46.13%</u> |

c. **Details of shares held by Equity shareholders holding more than 5% of the aggregate shares in the Company**

Edelweiss Rural & Corporate Services Limited  
RMS Automation Systems Limited  
EW India Special Assets Fund Pte. Limited

| As at 31 March 2023 |                | As at 31 March 2022 |                |
|---------------------|----------------|---------------------|----------------|
| No of shares        | %              | No of shares        | %              |
| 9,34,339            | 53.87%         | 8,00,000            | 46.13%         |
| 8,00,000            | 46.13%         | 8,00,000            | 46.13%         |
| -                   | 0.00%          | 1,34,339            | 7.75%          |
| <u>17,34,339</u>    | <u>100.00%</u> | <u>17,34,339</u>    | <u>100.00%</u> |

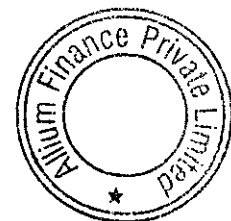
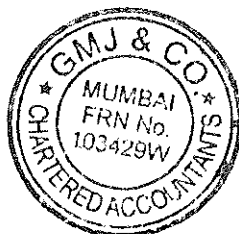
d. **Details of shares held by promoters in the company**

Edelweiss Rural & Corporate Services Limited

| As at 31 March 2023 |                   |                           |
|---------------------|-------------------|---------------------------|
| No of shares        | % of total shares | % changed during the year |
| 9,34,339            | 53.87%            | 7.74%                     |

Edelweiss Rural & Corporate Services Limited

| As at 31 March 2022 |                   |                           |
|---------------------|-------------------|---------------------------|
| No of shares        | % of total shares | % changed during the year |
| 8,00,000            | 46.13%            | Nil                       |



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>14 Instruments entirely equity in nature</b>  |                        |                        |
| 5,091,385 (Previous year: 5,091,385) 0.01% - Compulsorily Convertible Non- cumulative Preference shares - "Series A" of ₹ 10 each, fully paid up | 50,913.85              | 50,913.85              |
|  | <u>50,913.85</u>       | <u>50,913.85</u>       |

a. *Movement in share capital :*

*0.01% Compulsorily Convertible Non Cumulative Preference Share- "Series A (CCPS - A)*

Outstanding at the beginning of the year  
Shares issued during the year  
Outstanding at the end of the year

| As at 31 March 2023 |               | As at 31 March 2022 |                  |
|---------------------|---------------|---------------------|------------------|
| No of shares        | Amount        | No of shares        | Amount           |
| 50,91,385           | 50,913.85     | 50,91,385           | 50,913.85        |
| -                   | -             | -                   | -                |
| <u>50,91,385</u>    | <u>50,914</u> | <u>50,91,385</u>    | <u>50,913.85</u> |

b. *CCPS - A held by holding/ultimate holding company and/or their subsidiaries/associates*

*Preference Share  
Holding company*

Edelweiss Rural & Corporate Services Limited

*Fellow subsidiary*

Edelcap Securities Limited

| As at 31 March 2023 |                | As at 31 March 2022 |               |
|---------------------|----------------|---------------------|---------------|
| No of shares        | %              | No of shares        | %             |
| 41,00,329           | 80.53%         | 40,44,412           | 79.44%        |
| 9,91,056            | 19.47%         | 9,91,056            | 19.47%        |
| <u>50,91,385</u>    | <u>100.00%</u> | <u>50,35,468</u>    | <u>98.90%</u> |

c. *Details of CCPS - A held by Preference shareholders holding more than 5% of the aggregate shares in the Company*

Edeicap Securities Limited  
EW India Special Assets Fund Pte. Limited  
Edelweiss Rural & Corporate Services Limited

| As at 31 March 2023 |                | As at 31 March 2022 |                |
|---------------------|----------------|---------------------|----------------|
| No of shares        | %              | No of shares        | %              |
| 9,91,056            | 19.47%         | 9,91,056            | 19.47%         |
| -                   | 0.00%          | 55,917              | 1.10%          |
| 41,00,329           | 80.53%         | 40,44,412           | 79.44%         |
| <u>50,91,385</u>    | <u>100.00%</u> | <u>50,91,385</u>    | <u>100.00%</u> |

d. *Details of CCPS - A held by promoters in the Company*

Edelweiss Rural & Corporate Services Limited

| As at 31 March 2023 |                   |                           |
|---------------------|-------------------|---------------------------|
| No of shares        | % of total shares | % changed during the year |
| 41,00,329           | 80.53%            | 1.09%                     |

Edelweiss Rural & Corporate Services Limited

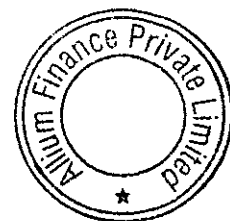
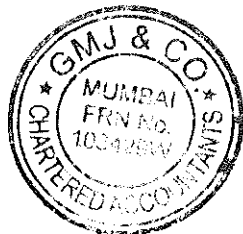
| As at 31 March 2022 |                   |                           |
|---------------------|-------------------|---------------------------|
| No of shares        | % of total shares | % changed during the year |
| 40,44,412           | 79.44%            | 20.77%                    |

**Terms/rights attached to 0.01% - Compulsorily Convertible Non- cumulative Preference shares - "Series A" (CCPS-A)**

The Preference Shares of the face value of ₹ 10 each were issued at the rate of ₹ 125 per share. The Preference Shares are Compulsorily Convertible. The Preference Shares carry a Non-cumulative dividend of 0.01%. During the term of the CCPS-A, the shareholder can convert any or all the CCPS-A into 1 equity share of ₹ 10 each.

**1,44,224** Preference Shares were allotted on February 7, 2012. The Shares remaining outstanding as at December 31, 2023, shall be compulsorily converted into 1 equity shares of ₹ 10 each.

**4,947,161** Preference Shares were allotted on December 13, 2012. The Shares remaining outstanding as at December 31, 2023, shall be compulsorily converted into 1 equity shares of ₹ 10 each.



**Allium Finance Private Limited****Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

**15 Other Equity**

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Securities Premium   | 6,24,808.26            | 6,24,808.26            |
| Add : Additions during the Year  | -                      | -                      |
|  | <u>6,24,808.26</u>     | <u>6,24,808.26</u>     |
| Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 | 1,31,046.00            | 80,477.30              |
| Add : Additions during the year  | 7,341.81               | 50,568.70              |
|  | <u>1,38,387.81</u>     | <u>1,31,046.00</u>     |
| <b>Retained Earnings</b>   |                        |                        |
| Opening balance  | 4,47,520.96            | 2,45,227.21            |
| Add: Profit for the year   | 36,709.04              | 2,52,843.45            |
| Add: Other comprehensive income for the year                               | -                      | 19.00                  |
| <b>Amount available for appropriation</b>                                  | <u>4,84,230.00</u>     | <u>4,98,089.66</u>     |
| Appropriations:  |                        |                        |
| Less: Transfer to Special Reserve under Section 45-IC of the Reserve       | 7,341.81               | 50,568.70              |
|  | <u>4,76,888.19</u>     | <u>4,47,520.96</u>     |
|  | <u>12,40,084.26</u>    | <u>12,03,375.22</u>    |

**Nature and purpose of Reserves****a. Securities Premium Reserve**

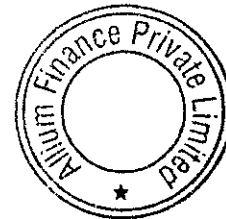
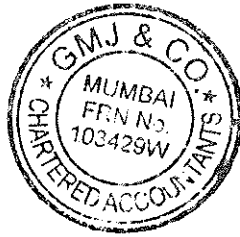
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**b. Special Reserve**

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**c. Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.



## Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at 31 March 2023 |                         | As at 31 March 2022 |                         |
|--|---------------------|-------------------------|---------------------|-------------------------|
|  | Current Liabilities | Non Current Liabilities | Current Liabilities | Non Current Liabilities |
| <b>16 Deferred tax liabilities / (assets) (net)</b>                    |                     |                         |                     |                         |
| Expected credit loss provision   | -                   | (1,423.18)              | -                   | -                       |
| Fair valuation of investments  | -                   | 2,557.58                | -                   | -                       |
|  | -                   | <b>1,134.40</b>         | -                   | -                       |
| <b>17 Trade Payables</b>   |                     |                         |                     |                         |
| Trade payables from non-related parties                                | 361.13              | -                       | 531.00              | -                       |
| Trade payables from related parties                                    | -                   | -                       | -                   | -                       |
| - dues of micro enterprises and small enterprises                      | 50.00               | -                       | -                   | -                       |
| - dues to creditors other than micro enterprises and small enterprises | 311.13              | -                       | 531.00              | -                       |
|  | <b>361.13</b>       | -                       | <b>531.00</b>       | -                       |

## 17 A Trade Payables - Ageing

As at 31 March 2023

Outstanding for following periods from due date of receipt

| Particulars                 | Unbilled      | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total         |
|-----------------------------|---------------|------------------|-----------|-----------|-------------------|---------------|
| (i) MSME                    | 50.00         | -                | -         | -         | -                 | 50.00         |
| (ii) Others                 | 311.13        | -                | -         | -         | -                 | 311.13        |
| (iii) Disputed dues - MSME  | -             | -                | -         | -         | -                 | -             |
| (iv) Disputed dues - Others | -             | -                | -         | -         | -                 | -             |
| <b>Total</b>                | <b>361.13</b> | -                | -         | -         | -                 | <b>361.13</b> |

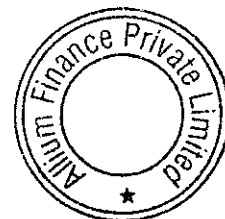
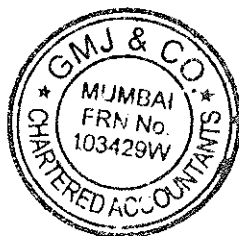
As at 31 March 2022

Outstanding for following periods from due date of receipt

| Particulars                 | Unbilled      | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total         |
|-----------------------------|---------------|------------------|-----------|-----------|-------------------|---------------|
| (i) MSME                    | -             | -                | -         | -         | -                 | -             |
| (ii) Others                 | 531.00        | -                | -         | -         | -                 | 531.00        |
| (iii) Disputed dues - MSME  | -             | -                | -         | -         | -                 | -             |
| (iv) Disputed dues - Others | -             | -                | -         | -         | -                 | -             |
| <b>Total</b>                | <b>531.00</b> | -                | -         | -         | -                 | <b>531.00</b> |

## 17 B Details of dues to micro, medium and small enterprises

Trade payables includes ₹ 50.00 (Previous year: ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

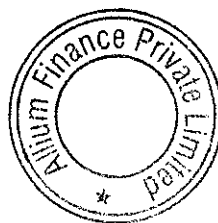
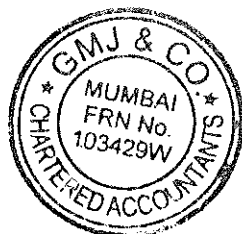


Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| <b>18 Other financial liabilities</b>                                  |                     |                     |
| Others   | 5.58                | 2.08                |
|  | <b>5.58</b>         | <b>2.08</b>         |
| <b>19 Other current liabilities</b>                                    |                     |                     |
| Statutory liabilities  |                     |                     |
| Withholding taxes and other taxes payable                              | 20.70               | 18.12               |
| Others   |                     |                     |
| Related parties  | 88.64               | -                   |
|  | <b>109.34</b>       | <b>18.12</b>        |
| <b>20 Current tax liabilities (net)</b>                                |                     |                     |
| Provision for taxation (net of tax deducted at source and advance tax) | 1,390.02            | 1,396.89            |
|  | <b>1,390.02</b>     | <b>1,396.89</b>     |

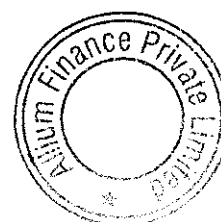
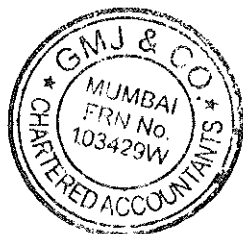


Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|   | For the year ended |                    |
|---|--------------------|--------------------|
|   | 31 March 2023      | 31 March 2022      |
| <b>21 Interest Income</b>   |                    |                    |
| <b>On financial assets measured at amortised cost</b>                           |                    |                    |
| Interest on Loans   | 51,296.71          | 3,58,580.73        |
| Interest income from investments  | 1,179.31           | 7,581.43           |
|   | <b>52,476.02</b>   | <b>3,66,162.16</b> |
| <b>22 Net gain on fair value changes</b>  |                    |                    |
| <b>On financial instruments designated at fair value through profit or loss</b> |                    |                    |
| Security receipts   | 5,873.46           | (22,588.63)        |
|   | <b>5,873.46</b>    | <b>(22,588.63)</b> |
| <b>Fair value changes:</b>  |                    |                    |
| - Realised  | -                  | -                  |
| - Unrealised  | 5,873.46           | (22,588.63)        |
| <b>Total Net gain/loss on fair value changes</b>                                | <b>5,873.46</b>    | <b>(22,588.63)</b> |
| <b>23 Other income</b>  |                    |                    |
| Miscellaneous income  | 25.21              | -                  |
|   | <b>25.21</b>       | <b>-</b>           |

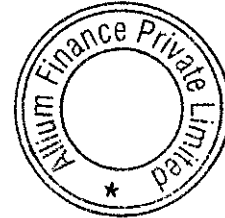
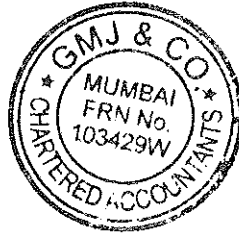


Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

|   | For the year ended |                   |
|---|--------------------|-------------------|
|   | 31 March 2023      | 31 March 2022     |
| <b>24 Finance costs</b>                       |                    |                   |
| Interest on borrowings                        | -                  | 119.37            |
| Other finance cost and bank charges           | 0.06               | 706.52            |
|   | <u>0.06</u>        | <u>825.89</u>     |
| <b>25 Impairment on financial instruments</b> |                    |                   |
| <b>Expected Credit Loss</b>                   |                    |                   |
| Provision for standard assets                 | 323.20             | (2,620.48)        |
| Provision for non performing assets           | (10,275.04)        | 674.99            |
|   | <u>(9,951.84)</u>  | <u>(1,945.49)</u> |
| <b>26 Employee benefit expenses</b>           |                    |                   |
| Salaries and wages                            | -                  | 2.14              |
| Contribution to provident and other funds     | 6.00               | 5.97              |
| Staff welfare expenses                        | -                  | 8.08              |
|   | <u>6.00</u>        | <u>16.19</u>      |





## Notes to financial statements (continued)

(Currency : Indian ₹ in Thousands)

## 26A Employee benefits

## a) Defined contribution plan - provident funds

in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

Amount of ₹ 6.00 (previous year: ₹ 5.97 ) is recognised as expenses and included in "Employee benefits expense".

## b) Defined benefit plan - gratuity

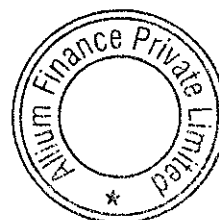
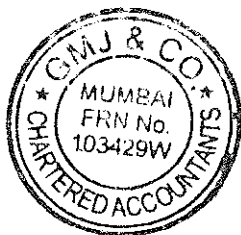
In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

## Reconciliation of Defined Benefit Obligation (DBO)

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Present Value of DBO at Start of the year                        | -             | 94.73         |
| Service Cost   |               |               |
| a. Current Service Cost  | -             | -             |
| b. Past Service Cost   | -             | -             |
| c. Loss/(Gain) from Settlement                                   | -             | -             |
| Interest Cost  | -             | 5.09          |
| Benefits Paid  | -             | (80.82)       |
| Re-measurements  |               |               |
| a. Actuarial Loss/(Gain) from changes in demographic assumptions | -             | -             |
| b. Actuarial Loss/(Gain) from changed in financials assumptions  | -             | -             |
| c. Actuarial Loss/(Gain) from experience over last past year     | -             | (19.00)       |
| Effect of acquisition / (divestiture)                            | -             | -             |
| Changes in foreign exchange rate                                 | -             | -             |
| Transfer In / (Out)  | -             | -             |
| Present Value of DBO at end of the year                          | -             | -             |



## Notes to financial statements (continued)

(Currency : Indian ₹ in Thousands)

## Reconciliation of Fair Value of Plan Assets

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Fair Value of Plan Assets at start of the year  | -             | -             |
| Contributions by Employer   | -             | (80.82)       |
| Benefits Paid   | -             | 80.82         |
| Interest Income on Plan Assets  | -             | -             |
| Re-measurements   | -             | -             |
| Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset) | -             | -             |
| Effect of acquisition/ (divestiture)  | -             | -             |
| Changes in foreign exchange rate  | -             | -             |
| Fair Value of Plan Assets at end of the year  | -             | -             |
| Actual Return on Plan Assets  | -             | -             |
| Expected Employer Contributions for the coming year   | -             | -             |

## Expenses recognised in the Profit and Loss Account

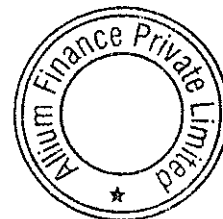
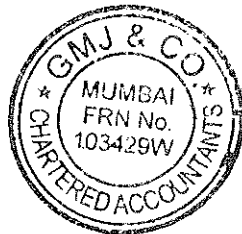
|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Service Cost  | -             | -             |
| a. Current Service Cost                                 | -             | -             |
| b. Past Service Cost                                    | -             | -             |
| c. Loss/(Gain) from Settlement                          | -             | -             |
| Net Interest on net defined benefit liability / (asset) | -             | 5.09          |
| Changes in foreign exchange rate                        | -             | -             |
| Employer Expenses                                       | -             | 5.09          |

## Liability recognised in the Balance sheet

|                                     | 31 March 2023 | 31 March 2022 |
|-------------------------------------|---------------|---------------|
| Liability as at the end of the year | -             | -             |

## Actuarial assumptions:

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Salary Growth Rate (% p.a)                               | NA            | NA            |
| Discount Rate (% p.a)                                    | NA            | NA            |
| Withdrawal Rate (% p.a)                                  |               |               |
| Senior   | NA            | NA            |
| Middle   | NA            | NA            |
| Junior   | NA            | NA            |
| Mortality Rate   | NA            | NA            |
| Interest Rate on Net DBO / (Asset) (%)                   | NA            | NA            |
| Expected weighted average remaining working life (years) | NA            | NA            |



Allium Finance Private Limited

Notes to financial statements (continued)

(Currency : Indian ₹ in Thousands)

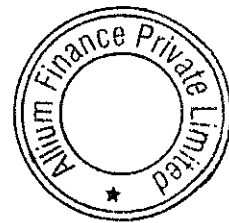
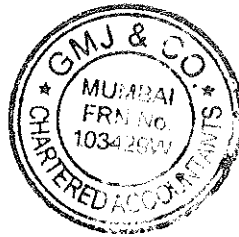
Movement in Other Comprehensive Income

|   | 31 March 2023  | 31 March 2022  |
|---|----------------|----------------|
| <b>Balance at start of year (Loss)/ Gain</b>  | <b>(23.00)</b> | <b>(42.00)</b> |
| <i>Re-measurements on DBO</i>   |                |                |
| a.Actuarial Loss/(Gain) from changes in demographic assumptions   | -              | -              |
| b.Actuarial Loss/(Gain) from changed in financials assumptions  | -              | -              |
| c.Actuarial Loss/(Gain) from experience over last past year   | -              | 19.00          |
| <i>Re-measurements on Plan Assets</i>   |                |                |
| Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset) | -              | -              |
| <i>Re-measurements on asset ceiling</i>   |                |                |
| Changes in the effect of limiting a net defined benefit asset to the asset ceiling                              | -              | -              |
| excluding amount included in net interest on the net defined benefit liability/ (asset)                         | -              | -              |
| <b>Balance at end of year (Loss)/ Gain</b>  | <b>(23.00)</b> | <b>(23.00)</b> |

Sensitivity Analysis

| DOB increases / (decreases ) by                     | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| 1 % Increase in Salary Growth Rate                  | -             | -             |
| 1 % Decrease in Salary Growth Rate                  | -             | -             |
| 1 % Increase in Discount Rate                       | -             | -             |
| 1 % Decrease in Discount Rate                       | -             | -             |
| 1 % Increase in Withdrawal Rate                     | -             | -             |
| 1 % Decrease in Withdrawal Rate                     | -             | -             |
| Mortality (Increase in expected lifetime by 1 year) | -             | -             |
| Mortality (Increase in expected lifetime by 3 year) | -             | -             |

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.



**Allium Finance Private Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

|   | For the year ended |                 |
|---|--------------------|-----------------|
|   | 31 March 2023      | 31 March 2022   |
| <b>27 Other expenses</b>  |                    |                 |
| Auditors' remuneration (refer note 27.A below)                    | 194.00             | 240.00          |
| Legal and professional fees                                       | 1,034.03           | 337.69          |
| Printing and stationery   | 0.41               | -               |
| Rates and taxes   | -                  | 2.50            |
| Computer expenses   | -                  | 1.40            |
| Corporate social responsibility -Donation (refer note 27.B below) | 4,000.00           | 2,930.00        |
| Clearing and custodian charges                                    | 22.50              | 81.00           |
| Office expenses   | 89.00              | 560.57          |
| ROC expenses  | -                  | 11.60           |
| Goods and service tax expenses                                    | 137.41             | 54.52           |
| Stock exchange expenses   | -                  | 16.32           |
|   | <b>5,477.35</b>    | <b>4,235.60</b> |

**Note :**

**27.A Auditors' remuneration:**

As auditor

|               |               |
|---------------|---------------|
| 194.00        | 240.00        |
| <b>194.00</b> | <b>240.00</b> |

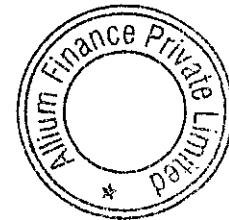
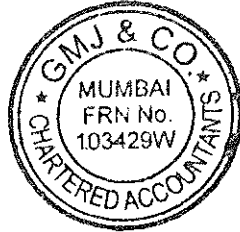
**27.B Corporate social responsibility (CSR)**

As per the provisions of Section 135 of the Companies Act, 2013,

(a) Gross amount required to be spent by the Company during the year was ₹ 4,000.00/-

(b) Amount spent during the year on:

| Particulars                             | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Constructions/acquisition of any assets | Nil           | Nil           |
| On purpose other than (i) above         | ₹ 4,000.00    | ₹ 2,930.00    |
| Yet to be paid                          | Nil           | Nil           |



## 28 Income tax

## A. Component of income tax expenses

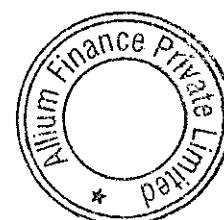
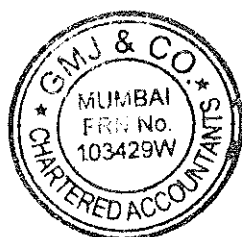
| Particulars  | 31 March 2023    | 31 March 2022    |
|--|------------------|------------------|
| Current tax  | 12,688.27        | 92,910.80        |
| Adjustment in respect of current income tax of prior years | 79.55            | (315.64)         |
| Deferred tax relating to temporary differences             | 13,366.26        | (4,997.27)       |
| <b>Total tax charge</b>                                    | <b>26,134.08</b> | <b>87,597.89</b> |
| Current tax  | 12,767.82        | 92,595.16        |
| Deferred tax   | 13,366.26        | (4,997.27)       |

## B. Reconciliation of total tax charge

| Particulars   |                  |                  |
|---|------------------|------------------|
| Profit before taxes                                       | 62,843.12        | 3,40,441.34      |
| Statutory income tax rate                                 | 25.17%           | 25.17%           |
| <b>Tax charge at statutory rate</b>                       | <b>15,816.36</b> | <b>85,682.28</b> |
| <b>Tax effect of :</b>                                    |                  |                  |
| Non-deductible expenses                                   | 1,006.72         | 2,228.16         |
| Fair valuation of investments                             | 1,478.23         | -                |
| Reversal of DTA on redemption of investments              | 5,552.93         | -                |
| DTA on ECL provision                                      | 2,200.29         | -                |
| Adjustment pertaining to prior years                      | 79.55            | (315.64)         |
| Others  | -                | 3.09             |
| <b>Total tax reported in statement of profit and loss</b> | <b>26,134.08</b> | <b>87,597.89</b> |

## C. Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

| For the year ended 31 March 2023           | As at<br>31 March 2022         | Recognised in<br>profit or loss         | Total movement        | As at<br>31 March 2023         |
|--|--------------------------------|---|-----------------------|--------------------------------|
| <b>Deferred tax assets / (liabilities)</b> |                                |   |                       |                                |
| Employee benefits obligations              | -                              | -                                       | -                     | -                              |
| Fair valuation of assets and liabilities   | 8,303.80                       | (10,861.38)                             | (10,861.38)           | (2,557.58)                     |
| Expected credit loss provision             | 3,928.07                       | (2,504.89)                              | (2,504.89)            | 1,423.18                       |
| <b>Deferred tax assets / (liabilities)</b> | <b>12,231.87</b>               | <b>(13,366.27)</b>                      | <b>(13,366.27)</b>    | <b>(1,134.40)</b>              |
| <b>For the year ended 31 March 2022</b>    | <b>As at<br/>31 March 2021</b> | <b>Recognised in<br/>profit or loss</b> | <b>Total movement</b> | <b>As at<br/>31 March 2022</b> |
| <b>Deferred tax assets</b>                 |                                |   |                       |                                |
| Employee benefits obligations              | 28.72                          | (28.72)                                 | (28.72)               | -                              |
| Fair valuation of assets and liabilities   | 2,618.25                       | 5,685.55                                | 5,685.55              | 8,303.80                       |
| Expected credit loss provision             | 4,587.63                       | (659.56)                                | (659.56)              | 3,928.07                       |
| <b>Deferred tax asset</b>                  | <b>7,234.60</b>                | <b>4,997.27</b>                         | <b>4,997.27</b>       | <b>12,231.87</b>               |



29 Related parties transactions

Disclosure as required by Indian Accounting Standard 24 AS – "Related Party Disclosure"

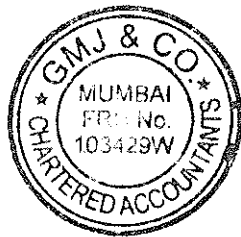
(i) List of related parties and relationship:

|  |  |
|--|--|
| Name of related parties by whom control is exercised                           | Edelweiss Financial Services Limited, Ultimate holding company<br>Edel Finance Company Limited, Parent of Holding company<br>Edelweiss Rural & Corporate Services Limited, Holding Company |
| Fellow Subsidiaries  | Ecap Equities Limited (Formerly known as Edel Land Limited)<br>EdelGive Foundation<br>Edelweiss Global Wealth Management Limited   |
| Associates of ultimate holding company with whom transactions have taken place | Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited) w.e.f 30 September, 2022  |

Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

(ii) Transactions with related parties:

| Nature of transaction                                  | Related party name  | For the year ended<br>31 March 2023         | For the year ended<br>31 March 2022                   |
|--|---|---|---|
| <b>Capital transactions during the year</b>            |   |   |   |
| Investment in CCD                                      | Ecap Equities Limited (Formerly known as Edel Land Limited)   | -   | 10,00,000.00  |
| <b>Current account transactions during the year</b>    |   |   |   |
| Loans given to   | Edelweiss Rural & Corporate Services Limited<br>Edel Finance Company Limited<br>Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)  | 83,500.00<br>2,30,000.00<br>-               | 3,76,018.16<br>-<br>9,00,000.00                       |
| Loans repaid by  | Edelweiss Rural & Corporate Services Limited<br>Edelweiss Global Wealth Management Limited<br>Ecap Equities Limited (Formerly known as Edel Land Limited)<br>Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)                                 | 1,64,218.16<br>69,434.74<br>-<br>-          | 3,22,875.00<br>7,00,000.00<br>2,900.00<br>9,00,000.00 |
| Loans taken from                                       | Edelweiss Rural & Corporate Services Limited  | -   | 46,225.00   |
| Loans repaid to  | Edelweiss Rural & Corporate Services Limited  | -   | 46,225.00   |
| Interest income on loan from                           | Edelweiss Rural & Corporate Services Limited<br>Edelweiss Global Wealth Management Limited<br>Ecap Equities Limited (Formerly known as Edel Land Limited)<br>Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)<br>Edel Finance Company Limited | 12,748.81<br>5,431.60<br>-<br>-<br>8,516.30 | 10,144.66<br>56,381.87<br>339.82<br>16,514.38<br>-    |
| Interest expense on loan from                          | Edelweiss Rural & Corporate Services Limited  | -   | 119.37  |
| Contribution towards corporate social responsibilities | EdelGive Foundation   | 4,000.00                                    | 2,930.00  |
| Interest income on CCD                                 | Ecap Equities limited (Formerly known as Edel Land Limited)   | 100.00                                      | 25.75   |
| <b>Balances with related parties</b>                   |   |   |   |
| Short term loans given to (including accrued interest) | Edelweiss Rural & Corporate Services Limited<br>Edelweiss Global Wealth Management Limited<br>Edel Finance Company Limited  | -<br>-<br>2,32,329.46                       | 81,471.69<br>70,058.37<br>-                           |
| Investment in CCD                                      | Ecap Equities Limited (Formerly known as Edel Land Limited)   | 10,00,100.00                                | 10,00,025.75  |
| Trade payables to                                      | Edelweiss Rural & Corporate Services Limited  | 5.38  | 0.20  |
| Other payables to                                      | Edelweiss Rural & Corporate Services Limited  | 88.64                                       | 2.08  |



## Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

## 30 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

|   | For the year ended |               |
|---|--------------------|---------------|
|   | 31 March 2023      | 31 March 2022 |
| Net Profit attributable to Equity holders of the Company - (A)  | 36,709.04          | 2,52,843.45   |
| Weighted average number of equity shares  |                    |               |
| - Number of equity shares outstanding at the beginning of the year  | 17,34,339          | 17,34,339     |
| - Number of equity shares issued during the year  | -                  | -             |
| Total number of equity shares outstanding at the end of the year  | 17,34,339          | 17,34,339     |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - (B) | 17,34,339          | 17,34,339     |
| Number of dilutive potential equity shares - (C)  | 50,91,385          | 50,91,385     |
| Weighted average number of equity shares for calculating diluted EPS - (D)  | 68,25,724          | 68,25,724     |
| Basic and diluted earnings per share (in ₹) (A/D)   | 5.38               | 37.04         |

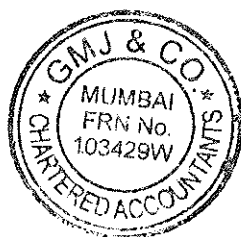
The Company has issued compulsorily convertible non-cumulative preference shares which have been considered for the purpose of computing dilutive earnings per share.

## 31 Segment reporting

The Company's main business is financing business. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the pronouncements of Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

## 32 Contingent Liability &amp; Commitment:

Contingent Liability & Commitment is Nil as at 31 March 2023 (previous year: Nil).



**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

**33 Capital management**

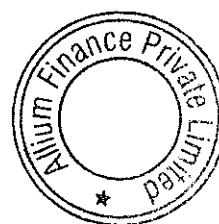
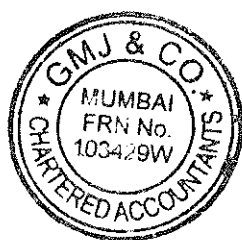
The primary objectives of the capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

**Regulatory capital**

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

| Particulars  | As at              | As at              |
|--|--------------------|--------------------|
|  | 31 March 2023      | 31 March 2022      |
| <b>Capital Funds</b>   |                    |                    |
| Net owned funds (Tier I capital)                             | 2,06,746.19        | 2,33,784.84        |
| Tier II capital  | 929.32             | 606.12             |
| <b>Total capital funds</b>                                   | <b>2,07,675.51</b> | <b>2,34,390.96</b> |
| <b>Total risk weighted assets/ exposures</b>                 | <b>2,10,672.22</b> | <b>2,49,211.87</b> |
| <b>% of capital funds to risk weighted assets/exposures:</b> |                    |                    |
| Tier I capital   | <b>98.14%</b>      | 93.81%             |
| Tier II capital  | <b>0.44%</b>       | 0.24%              |
| Total capital funds  | <b>98.58%</b>      | 94.05%             |





Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

34 Disclosure related to collateral

Following table sets out availability of financial assets to support funding

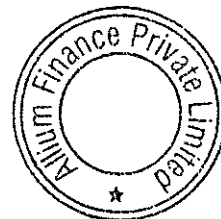
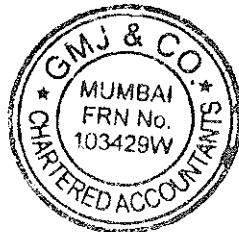
As at 31 March 2023

| Financial Assets          | Pledge as collateral | Available as collateral | Others*         | Total               |
|---------------------------|----------------------|-------------------------|-----------------|---------------------|
| Cash and cash equivalents | -                    | -                       | 2,401.58        | 2,401.58            |
| Loans                     | -                    | 2,31,400.14             | -               | 2,31,400.14         |
| Investments               | -                    | 10,71,456.09            | -               | 10,71,456.09        |
| <b>Total</b>              | <b>-</b>             | <b>13,02,856.23</b>     | <b>2,401.58</b> | <b>13,05,257.81</b> |

As at 31 March 2022

| Financial Assets          | Pledge as collateral | Available as collateral | Others*       | Total               |
|---------------------------|----------------------|-------------------------|---------------|---------------------|
| Cash and cash equivalents | -                    | -                       | 262.31        | 262.31              |
| Loans                     | -                    | 1,70,648.90             | -             | 1,70,648.90         |
| Investments               | -                    | 10,84,949.00            | -             | 10,84,949.00        |
| Other financial assets    | -                    | -                       | -             | -                   |
| <b>Total</b>              | <b>-</b>             | <b>12,55,597.90</b>     | <b>262.31</b> | <b>12,55,860.21</b> |

\*Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business



## Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

**35 Fair Value measurement****A. Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

**B. Valuation governance framework**

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

**C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy**

As at 31 March 2023

|   | Level 1  | Level 2  | Level 3          | Total            |
|---|----------|----------|------------------|------------------|
| <b>Assets measured at fair value on a recurring basis</b> |          |          |                  |                  |
| <b>Investments</b>  |          |          |                  |                  |
| Security receipts   | -        | -        | 71,356.09        | 71,356.09        |
| <b>Total</b>  | <b>-</b> | <b>-</b> | <b>71,356.09</b> | <b>71,356.09</b> |

As at 31 March 2022

|   | Level 1  | Level 2  | Level 3          | Total            |
|---|----------|----------|------------------|------------------|
| <b>Assets measured at fair value on a recurring basis</b> |          |          |                  |                  |
| <b>Investments</b>  |          |          |                  |                  |
| Security receipts   | -        | -        | 84,923.25        | 84,923.25        |
| <b>Total</b>  | <b>-</b> | <b>-</b> | <b>84,923.25</b> | <b>84,923.25</b> |

**D. Valuation techniques:****Security receipts**

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

E. There have been no transfers between levels during the year ended 31 March 2023 and 31 March 2022.



35 Fair Value measurement (Continued)

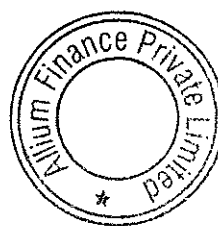
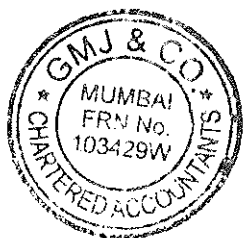
F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended 31 March 2023

|  | <u>Security Receipts</u> |
|--|--------------------------|
| <b>Investments - at 1 April 2022</b>                                   | <b>84,923.25</b>         |
| Purchase   | -                        |
| Sale/Redemption proceeds   | (19,440.62)              |
| Profit for the year recognised in profit or loss                       | 5,873.46                 |
| <b>Investments - at 31 March 2023</b>                                  | <b><u>71,356.09</u></b>  |
| Unrealised gain/(Loss) related to balances held at the end of the year | (27,117.38)              |

Financial year ended 31 March 2022

|  | <u>Security Receipts</u> |
|--|--------------------------|
| <b>Investments - at 01 April 2021</b>                                  | <b>1,86,600.94</b>       |
| Purchase   | -                        |
| Sale/Redemption proceeds   | (79,089.06)              |
| Profit for the year recognised in profit or loss                       | (22,588.63)              |
| <b>Investments - at 31 March 2022</b>                                  | <b><u>84,923.25</u></b>  |
| Unrealised gain/(Loss) related to balances held at the end of the year | (32,990.84)              |

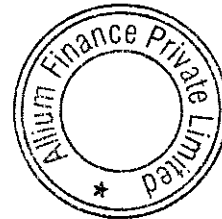
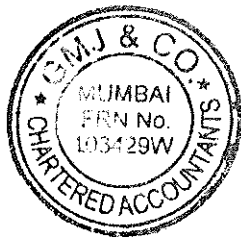


## 35 Fair Value measurement (Continued)

## G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

| Type of Financial Instruments    | Fair value of asset as on 31 March 2023 | Valuation Techniques   | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value | Decrease in the unobservable input | Change in fair value |
|----------------------------------|---|--|--------------------------------|---|------------------------------------|----------------------|------------------------------------|----------------------|
| Investments in security receipts | 71,356.09                               | Discounted cash flow: The present value of expected future economic benefit to be derived from the ownership of the underlying assets of the trust | Expected future cash flows     | 13,04,084.36                              | 5%                                 | 71,332.42            | 5%                                 | 69,443.49            |
|                                  |   |  | Discounting rate               | 15.00% to 22.00%                          | 0.5%                               | (1,888.93)           | 0.5%                               | 1,888.93             |
| Type of Financial Instruments    | Fair value of asset as on 31 March 2022 | Valuation Techniques   | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value | Decrease in the unobservable input | Change in fair value |
| Investments in security receipts | 84,923.25                               | Discounted cash flow: The present value of expected future economic benefit to be derived from the ownership of the underlying assets of the trust | Expected future cash flows     | 12,48,740.43                              | 5%                                 | 4,055.89             | 5%                                 | (4,055.89)           |
|                                  |   |  | Discounting rate               | 15.00% to 22.00%                          | 0.5%                               | (507.78)             | 0.5%                               | 514.51               |



## 35 Fair Value measurement (Continued)

## H. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

| As at 31 March 2023                | Carrying Value     | Fair value      |               |                    | Total              |
|------------------------------------|--------------------|-----------------|---------------|--------------------|--------------------|
|                                    |                    | Level 1         | Level 2       | Level 3            |                    |
| <b>Financial Assets</b>            |                    |                 |               |                    |                    |
| Cash and cash equivalents          | 2,401.58           | 2,401.58        | -             | -                  | 2,401.58           |
| Loans                              | 2,31,400.14        | -               | -             | 2,31,400.14        | 2,31,400.14        |
| <b>Total Financial Assets</b>      | <b>2,33,801.72</b> | <b>2,401.58</b> | <b>-</b>      | <b>2,31,400.14</b> | <b>2,33,801.72</b> |
| <b>Financial Liabilities</b>       |                    |                 |               |                    |                    |
| Trade payables                     | 361.13             | -               | 361.13        | -                  | 361.13             |
| Other financial liabilities        | 5.58               | -               | 5.58          | -                  | 5.58               |
| <b>Total Financial Liabilities</b> | <b>366.71</b>      | <b>-</b>        | <b>366.71</b> | <b>-</b>           | <b>366.71</b>      |

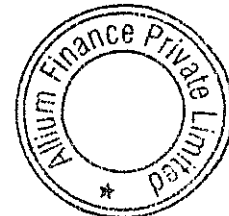
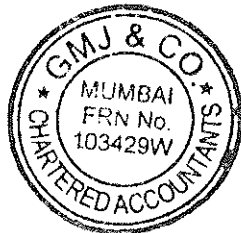
| As at 31 March 2022                | Carrying Value     | Fair value    |               |                    | Total              |
|------------------------------------|--------------------|---------------|---------------|--------------------|--------------------|
|                                    |                    | Level 1       | Level 2       | Level 3            |                    |
| <b>Financial Assets</b>            |                    |               |               |                    |                    |
| Cash and cash equivalents          | 262.31             | 262.31        | -             | -                  | 262.31             |
| Loans                              | 1,70,648.90        | -             | -             | 1,70,648.90        | 1,70,648.90        |
| <b>Total Financial Assets</b>      | <b>1,70,911.21</b> | <b>262.31</b> | <b>-</b>      | <b>1,70,648.90</b> | <b>1,70,911.21</b> |
| <b>Financial Liabilities</b>       |                    |               |               |                    |                    |
| Trade payables                     | 531.00             | -             | 531.00        | -                  | 531.00             |
| Other financial liabilities        | 2.08               | -             | 2.08          | -                  | 2.08               |
| <b>Total Financial Liabilities</b> | <b>533.08</b>      | <b>-</b>      | <b>533.08</b> | <b>-</b>           | <b>533.08</b>      |

## I. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

**Short Term Financial Assets and Liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.



## 36 Risk Management framework

## A. Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

## B. Types of Risks

The Company's risks are generally categorized in the following risk types:

- Market risk
- Credit risk
- Liquidity risk

## C. Market risks

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

## Total market risk exposure

| Particulars                  | As at 31 March 2023 |             |                     | As at 31 March 2022 |             |                     | Primary risk Sensitivity |
|------------------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|--------------------------|
|                              | Carrying amount     | Traded risk | Non-traded risk     | Carrying amount     | Traded risk | Non-traded risk     |                          |
| <b>Financial assets</b>      |                     |             |                     |                     |             |                     |                          |
| Cash and cashequivalent      | 2,401.58            | -           | 2,401.58            | 262.31              | -           | 262.31              |                          |
| Loans                        | 2,31,400.14         | -           | 2,31,400.14         | 1,70,648.90         | -           | 1,70,648.90         | Interest rate risk       |
| Investments                  | 10,71,456.09        | -           | 10,71,456.09        | 10,84,949.00        | -           | 10,84,949.00        | Interest rate risk       |
| <b>Total Assets</b>          | <b>13,05,257.81</b> | <b>-</b>    | <b>13,05,257.81</b> | <b>12,55,860.21</b> | <b>-</b>    | <b>12,55,860.21</b> |                          |
| <b>Financial Liabilities</b> |                     |             |                     |                     |             |                     |                          |
| Trade payables               | 361.13              | -           | 361.13              | 531.00              | -           | 531.00              |                          |
| Other financial liabilities  | 5.58                | -           | 5.58                | 2.08                | -           | 2.08                |                          |
| <b>Total Liabilities</b>     | <b>366.71</b>       | <b>-</b>    | <b>366.71</b>       | <b>533.08</b>       | <b>-</b>    | <b>533.08</b>       |                          |

## D. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

## Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

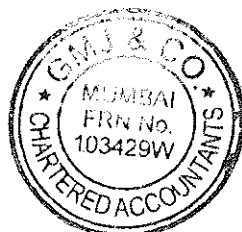
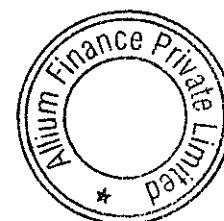
The following table shows the risk concentration by industry for the components of the balance sheet.

## As at 31 March 2023

| Particulars               | Financial services  | Retail and wholesale | Services | Total               |
|---------------------------|---------------------|----------------------|----------|---------------------|
| <b>Financial assets</b>   |                     |                      |          |                     |
| Cash and cash equivalents | 2,401.58            | -                    | -        | 2,401.58            |
| Loans                     | 2,31,400.14         | -                    | -        | 2,31,400.14         |
| Investments               | 10,71,456.09        | -                    | -        | 10,71,456.09        |
| <b>Total</b>              | <b>13,05,257.81</b> | <b>-</b>             | <b>-</b> | <b>13,05,257.81</b> |

## As at 31 March 2022

| Particulars               | Financial services  | Retail and wholesale | Services        | Total               |
|---------------------------|---------------------|----------------------|-----------------|---------------------|
| <b>Financial assets</b>   |                     |                      |                 |                     |
| Cash and cash equivalents | 262.31              | -                    | -               | 262.31              |
| Loans                     | 1,50,923.94         | 15,000.00            | 4,724.96        | 1,70,648.90         |
| Investments               | 10,84,949.00        | -                    | -               | 10,84,949.00        |
| <b>Total</b>              | <b>12,36,135.25</b> | <b>15,000.00</b>     | <b>4,724.96</b> | <b>12,55,860.21</b> |



**Allium Finance Private Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

**36 Risk Management framework (Continued)**

**D. Credit Risk (Contd.)**

**Collateral and other credit enhancements**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

|                           | Maximum exposure to credit risk |                     |
|---------------------------|---------------------------------|---------------------|
|                           | 2023                            | 2022                |
| <b>Financial Assets</b>   |                                 |                     |
| Cash and cash equivalents | 2,401.58                        | 262.31              |
| Loans                     | 2,31,400.14                     | 1,70,648.90         |
| Investments               | 10,71,456.09                    | 10,84,949.00        |
| <b>Total</b>              | <b>13,05,257.81</b>             | <b>12,55,860.21</b> |



## 36 Risk Management framework (Continued)

## E. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

## i. Analysis of financial assets and liabilities by remaining contractual maturities

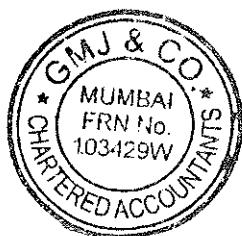
The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

## As at 31 March 2023

| Particulars                                       | On demand       | Less than 3 months | 3 to 12 months | 1 year to 3 years  | 3 years to 5 years | Over 5 years        | Total               |
|---|-----------------|--------------------|----------------|--------------------|--------------------|---------------------|---------------------|
| <b>Financial Assets</b>                           |                 |                    |                |                    |                    |                     |                     |
| Cash and cash equivalents                         | 2,401.58        | -                  | -              | -                  | -                  | -                   | 2,401.58            |
| Loans   | -               | 2,329.46           | -              | 2,29,070.68        | -                  | -                   | 2,31,400.14         |
| Investments                                       | -               | -                  | -              | 71,356.09          | -                  | 10,00,100.00        | 10,71,456.09        |
| <b>Total undiscounted financial assets</b>        | <b>2,401.58</b> | <b>2,329.46</b>    | <b>-</b>       | <b>3,00,426.77</b> | <b>-</b>           | <b>10,00,100.00</b> | <b>13,05,257.81</b> |
| <b>Financial Liabilities</b>                      |                 |                    |                |                    |                    |                     |                     |
| Trade payables                                    | -               | 361.13             | -              | -                  | -                  | -                   | 361.13              |
| Other financial liabilities                       | -               | 5.58               | -              | -                  | -                  | -                   | 5.58                |
| <b>Total undiscounted financial liabilities</b>   | <b>-</b>        | <b>366.71</b>      | <b>-</b>       | <b>-</b>           | <b>-</b>           | <b>-</b>            | <b>366.71</b>       |
| <b>Total net financial assets / (liabilities)</b> | <b>2,401.58</b> | <b>1,962.75</b>    | <b>-</b>       | <b>3,00,426.77</b> | <b>-</b>           | <b>10,00,100.00</b> | <b>13,04,891.10</b> |

## As at 31 March 2022

| Particulars                                       | On demand     | Less than 3 months | 3 to 12 months     | 1 year to 3 years | 3 years to 5 years | Over 5 years        | Total               |
|---|---------------|--------------------|--------------------|-------------------|--------------------|---------------------|---------------------|
| <b>Financial Assets</b>                           |               |                    |                    |                   |                    |                     |                     |
| Cash and cash equivalents                         | 262.31        | -                  | -                  | -                 | -                  | -                   | 262.31              |
| Loans   | -             | 15,000.00          | 1,55,648.90        | -                 | -                  | -                   | 1,70,648.90         |
| Investments                                       | -             | 18,136.05          | 5,431.52           | 61,355.68         | -                  | 10,00,025.75        | 10,84,949.00        |
| <b>Total undiscounted financial assets</b>        | <b>262.31</b> | <b>33,136.05</b>   | <b>1,61,080.42</b> | <b>61,355.68</b>  | <b>-</b>           | <b>10,00,025.75</b> | <b>12,55,860.21</b> |
| <b>Financial Liabilities</b>                      |               |                    |                    |                   |                    |                     |                     |
| Trade payables                                    | -             | 531.00             | -                  | -                 | -                  | -                   | 531.00              |
| Other financial liabilities                       | -             | 2.08               | -                  | -                 | -                  | -                   | 2.08                |
| <b>Total undiscounted financial liabilities</b>   | <b>-</b>      | <b>533.08</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>           | <b>-</b>            | <b>533.08</b>       |
| <b>Total net financial assets / (liabilities)</b> | <b>262.31</b> | <b>32,602.97</b>   | <b>1,61,080.42</b> | <b>61,355.68</b>  | <b>-</b>           | <b>10,00,025.75</b> | <b>12,55,327.13</b> |





## Notes to the financial statements (Continued)

(Currency : indian ₹ in Thousands)

## 37 Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

## 37.01 Investments

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| 1) Value of Investments  |               |               |
| i) Gross Value of Investments  |               |               |
| a) In India  | 10,98,573.47  | 11,17,939.84  |
| b) Outside India   | -             | -             |
| ii) Provisions for Depreciation / (appreciation)*                                  |               |               |
| a) In India  | 27,117.38     | 32,990.84     |
| b) Outside India   | -             | -             |
| iii) Net Value of Investments  |               |               |
| a) In India  | 10,71,456.09  | 10,84,949.00  |
| b) Outside India   | -             | -             |
| 2) Movement of provisions held towards depreciation/(appreciation) on investments. |               |               |
| i) Opening balance   | 32,990.84     | 10,402.21     |
| ii) Add : Provisions made during the year  | -             | -             |
| iii) Less : Write-off / write-back of excess provisions during the year            | (5,873.46)    | 22,588.63     |
| iv) Closing balance  | 27,117.38     | 32,990.84     |

\* Represents unrealised gain due to fair value change

## 37.02 Capital to Risk Assets Ratio (CRAR)

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| i. CRAR (%)   | 98.58%        | 94.05%        |
| ii. CRAR - Tier I Capital (%)                             | 98.14%        | 93.81%        |
| iii. CRAR -Tier II Capital (%)                            | 0.44%         | 0.24%         |
| iv. Amount of subordinated debt raised as Tier-II capital | -             | -             |
| v. Amount raised by issue of Perpetual Debt Instruments   | -             | -             |

## 37.03 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

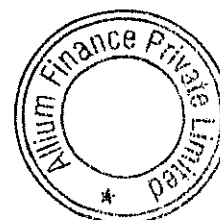
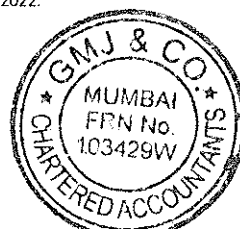
During the year ended March 31, 2023 and March 31, 2022, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.

## 37.04 Exposure to real estate sector, both direct and indirect; and

|   | 31 March 2023   | 31 March 2022    |
|---|-----------------|------------------|
| <b>A Direct exposure</b>  |                 |                  |
| i. Residential Mortgages<br>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)   | -               | -                |
| ii. Commercial Real Estate<br>Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | 6,749.94        | 36,749.94        |
| iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures<br>Residential   | -               | -                |
| Commercial Real Estate  | -               | -                |
| <b>B Indirect Exposure</b>  |                 |                  |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)   | -               | -                |
| <b>C Others (Not covered Above)*</b>  | -               | -                |
| <b>Total Exposure</b>   | <b>6,749.94</b> | <b>36,749.94</b> |

## 37.05 Exposure to Capital Market

The Company did not have any capital market exposure as at 31 March 2023 and 31 March 2022.



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

37 Regulatory disclosures - RBI (continued)

37.06 Asset Liability Management

Maturity pattern of certain assets and liabilities as at 31 March 2023

| Particulars                     | Liabilities |            | Assets             |                     |
|---------------------------------|-------------|------------|--------------------|---------------------|
|                                 | Deposit     | Borrowings | Advances           | Investments         |
| 1 day to 30/31 days (one month) | -           | -          | -                  | -                   |
| Over one month to 2 months      | -           | -          | -                  | -                   |
| Over 2 months to 3 months       | -           | -          | -                  | -                   |
| Over 3 months to 6 months       | -           | -          | -                  | -                   |
| Over 6 months to 1 year         | -           | -          | -                  | -                   |
| Over 1 year to 3 years          | -           | -          | 2,39,079.40        | 71,356.09           |
| Over 3 years to 5 years         | -           | -          | -                  | -                   |
| Over 5 years                    | -           | -          | -                  | 10,00,100.00        |
| <b>Total</b>                    | -           | -          | <b>2,39,079.40</b> | <b>10,71,456.09</b> |

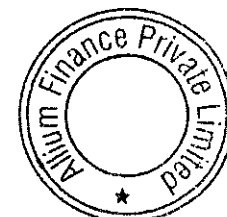
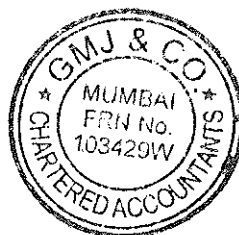
Maturity pattern of certain assets and liabilities as at 31 March 2022

| Particulars                     | Liabilities |            | Assets             |                     |
|---------------------------------|-------------|------------|--------------------|---------------------|
|                                 | Deposit     | Borrowings | Advances           | Investments         |
| 1 day to 30/31 days (one month) | -           | -          | 36,749.94          | -                   |
| Over one month to 2 months      | -           | -          | -                  | -                   |
| Over 2 months to 3 months       | -           | -          | -                  | -                   |
| Over 3 months to 6 months       | -           | -          | -                  | -                   |
| Over 6 months to 1 year         | -           | -          | 1,51,530.06        | 84,923.25           |
| Over 1 year to 3 years          | -           | -          | -                  | -                   |
| Over 3 years to 5 years         | -           | -          | -                  | -                   |
| Over 5 years                    | -           | -          | -                  | 10,00,025.75        |
| <b>Total</b>                    | -           | -          | <b>1,88,280.00</b> | <b>10,84,949.00</b> |

37.07 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions:

| Particulars   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| <b>(i) Movement of NPAs (Gross)</b>   |               |               |
| a) Opening Balance  | 36,749.94     | 36,749.94     |
| b) Additions during the year  | -             | -             |
| c) Reductions during the year   | 30,000.00     | -             |
| d) Closing balance  | 6,749.94      | 36,749.94     |
| <b>(ii) Movement of Net NPAs</b>  |               |               |
| a) Opening Balance  | 19,724.96     | 20,399.96     |
| b) Additions during the year  | -             | -             |
| c) Reductions during the year   | 19,724.96     | 675.00        |
| d) Closing balance  | -             | 19,724.96     |
| <b>(iii) Movement of Provisions for NPAs<br/>(excluding provision on Standard assets)</b> |               |               |
| a) Opening Balance  | 17,024.98     | 16,349.98     |
| b) Additions during the year  | 4,724.96      | 675.00        |
| c) Reductions during the year   | 15,000.00     | -             |
| d) Closing balance  | 6,749.94      | 17,024.98     |



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

37 Regulatory disclosures - RBI (continued)

37.08 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.

| Particulars                                   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| (i) Provisions for depreciation on investment | -             | -             |
| (ii) Provision towards NPA                    | (10,275.04)   | 675.00        |
| (iii) Provision made towards income tax       | 12,767.82     | 92,595.16     |
| (iv) Provision for standard assets            | 323.20        | (2,620.48)    |
| (v) Other Provision and Contingencies         | -             | -             |

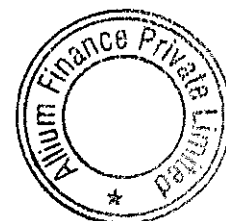
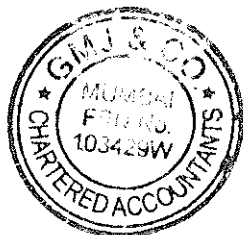
37.09 Concentration of Deposits, Advances, Exposures and NPAs

|  | 31 March 2023                | 31 March 2022        |
|--|------------------------------|----------------------|
| <b>A) Concentration of Advances</b>                                      |                              |                      |
| Total advances to twenty largest borrowers                               | 2,39,079.40                  | 1,88,280.00          |
| Percentage of advances to twenty largest borrowers to total advances     | 100.00%                      | 100.00%              |
| <b>B) Concentration of Exposures</b>                                     |                              |                      |
| Total exposures to twenty largest borrowers / customers                  | 2,39,079.40                  | 1,88,280.00          |
| Percentage of exposures to twenty largest borrowers / customers to total | 100.00%                      | 100.00%              |
| <b>C) Concentration of NPAs</b>  |                              |                      |
| Total exposures to top four NPAs   | 6,749.94                     | 36,749.94            |
| <b>D) Sector-wise NPAs</b>   |                              |                      |
| <b>Sectors</b>   | <b>Percentage of NPAs to</b> |                      |
|  | <b>31 March 2023</b>         | <b>31 March 2022</b> |
| 1 Agriculture & allied activities  | -                            | -                    |
| 2 MSME   | -                            | -                    |
| 3 Corporate borrowers  | 100%                         | 100%                 |
| 4 Services   | -                            | -                    |
| 5 Unsecured personal loans   | -                            | -                    |
| 6 Auto loans   | -                            | -                    |
| 7 Other personal loans   | -                            | -                    |

37.10 Customer Complaints

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| (a) No. of complaints pending at the beginning of the year | -             | -             |
| (b) No. of complaints received during the year             | -             | -             |
| (c) No. of complaints redressed during the year            | -             | -             |
| (d) No. of complaints pending at the end of the year       | -             | -             |

37.11 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil



Allium Finance Private Limited

Notes to the financial statements (Continued)  
(Currency : Indian ₹ in Thousands)

37 Regulatory disclosures - RBI (continued)

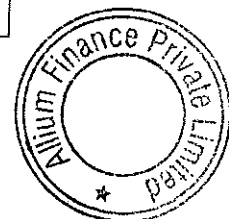
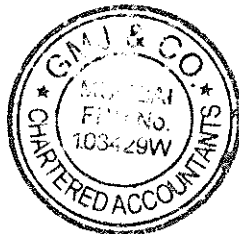
37.12 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities side :

|   | 31 March 2023      |                | 31 March 2022      |                |
|---|--------------------|----------------|--------------------|----------------|
|   | Amount Outstanding | Amount Overdue | Amount Outstanding | Amount Overdue |
| (1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid: |                    |                |                    |                |
| (a) Debentures (other than falling within the meaning of public deposits*)                      |                    |                |                    |                |
| i) Secured  | -                  | -              | -                  | -              |
| ii) Unsecured   | -                  | -              | -                  | -              |
| (b) Deferred Credits  | -                  | -              | -                  | -              |
| (c) Term Loans  | -                  | -              | -                  | -              |
| (d) Inter-Corporate Loans and Borrowing   | -                  | -              | -                  | -              |
| (e) Commercial Paper  | -                  | -              | -                  | -              |
| (f) Other Loans:  | -                  | -              | -                  | -              |
| (* Please see Note 1 below)   |                    |                |                    |                |

Assets side :

|  | Amount Outstanding |               |
|--|--------------------|---------------|
|  | 31 March 2023      | 31 March 2022 |
| (2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: |                    |               |
| (a) Secured  |                    | 36,749.94     |
| (b) Unsecured  | 2,39,079.40        | 1,51,530.06   |
| (3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities  |                    |               |
| (i) Lease assets including lease rentals under sundry debtors :  |                    |               |
| (a) Financial Lease  | -                  | -             |
| (b) Operating Lease  | -                  | -             |
| (ii) Stock on hire including hire charges under sundry debtors:  |                    |               |
| (a) Assets on Hire   | -                  | -             |
| (b) Repossessed Assets   | -                  | -             |
| (iii) Hypothecation loans counting towards EL / HP activities :  |                    |               |
| (a) Loans where assets have been repossessed   | -                  | -             |
| (b) Loans other than (a) above   | -                  | -             |
| (4) Break-up of Investments  |                    |               |
| Current Investments:(including securities held for trading)  |                    |               |
| 1. Quoted :  |                    |               |
| (i) Shares : (a) Equity  | -                  | -             |
| (b) Preference   | -                  | -             |
| (ii) Debentures and Bonds  | -                  | -             |
| (iii) Units of Mutual Funds  | -                  | -             |
| (iv) Government Securities   | -                  | -             |
| (v) Others   | -                  | -             |



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency : Indian ₹ in Thousands)

37.12 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

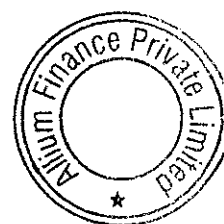
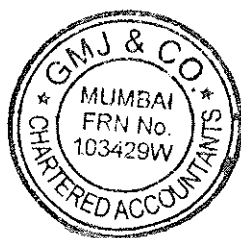
| (4) Break-up of investments (Continued) | Amount Outstanding |               |
|---|--------------------|---------------|
|   | 31 March 2023      | 31 March 2022 |
| 2. Unquoted :                           |                    |               |
| (i) Shares : (a) Equity                 | -                  | -             |
| (b) Preference                          | -                  | -             |
| (ii) Debentures and Bonds               | -                  | -             |
| (iii) Units of Mutual Funds             | -                  | -             |
| (iv) Government Securities              | -                  | -             |
| (v) Others                              | -                  | -             |
| Long Term investments :                 |                    |               |
| 1. Quoted :                             |                    |               |
| (i) Shares : (a) Equity                 | -                  | -             |
| (b) Preference                          | -                  | -             |
| (ii) Debentures and Bonds               | -                  | -             |
| (iii) Units of Mutual Funds             | -                  | -             |
| (iv) Government Securities              | -                  | -             |
| (v) Others                              | -                  | -             |
| 2. Unquoted :                           |                    |               |
| (i) Shares : (a) Equity                 | -                  | -             |
| (b) Preference                          | -                  | -             |
| (ii) Debentures and Bonds               | 10,00,100.00       | 10,00,025.75  |
| (iii) Units of Mutual Funds             | -                  | -             |
| (iv) Government Securities              | -                  | -             |
| (v) Others                              | -                  | -             |
| (a) investment in Security Receipts     | 71,356.09          | 84,923.25     |

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:  
As at 31 March 2023

| Category                      | Amount (net of provisions) |             |             |
|-------------------------------|----------------------------|-------------|-------------|
|                               | Secured                    | Unsecured   | Total       |
| 1. Related Parties**          |                            |             |             |
| (a) Subsidiaries              | -                          | -           | -           |
| (b) Other related parties     | -                          | 2,31,400.14 | 2,31,400.14 |
| 2. Other than related parties | -                          | -           | -           |
| <b>Total</b>                  | -                          | 2,31,400.14 | 2,31,400.14 |

As at 31 March 2022

| Category                      | Amount (net of provisions) |             |             |
|-------------------------------|----------------------------|-------------|-------------|
|                               | Secured                    | Unsecured   | Total       |
| 1. Related Parties**          |                            |             |             |
| (a) Subsidiaries              | -                          | -           | -           |
| (b) Other related parties     | -                          | 1,50,923.94 | 1,50,923.94 |
| 2. Other than related parties | 19,724.96                  | -           | 19,724.96   |
| <b>Total</b>                  | 19,724.96                  | 1,50,923.94 | 1,70,648.90 |



Allium Finance Private Limited

Notes to the financial statements (Continued)

(Currency: Indian ₹ in Thousands)

37.12 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

| Category                        | Market value / Break-up or fair value or NAV |                     | Book value (net of provisions) |                     |
|---------------------------------|--|---------------------|--------------------------------|---------------------|
|                                 | 31 March 2023                                | 31 March 2022       | 31 March 2023                  | 31 March 2022       |
| 1. Related parties**            |  |                     |                                |                     |
| (a) Subsidiaries                | -  | -                   | -                              | -                   |
| (b) Companies in the same group | 10,00,100.00                                 | 10,00,025.75        | 10,00,100.00                   | 10,00,025.75        |
| (c) Other related parties       | -  | -                   | -                              | -                   |
| 2. Other than related parties   | 71,356.09                                    | 84,923.25           | 71,356.09                      | 84,923.25           |
| <b>Total</b>                    | <b>10,71,456.09</b>                          | <b>10,84,949.00</b> | <b>10,71,456.09</b>            | <b>10,84,949.00</b> |

\*\* As per Ind AS-24 Related Party Disclosures

(7) Other information

| Particulars                                    | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| (i) Gross Non-Performing Assets                |               |               |
| (a) Related Party                              | -             | -             |
| (b) Other than Related Parties                 | 6,749.94      | 36,749.94     |
| (ii) Net Non-Performing Assets                 |               |               |
| (a) Related Party                              | -             | -             |
| (b) Other than Related Parties                 | 6,749.94      | 17,024.98     |
| (iii) Assets acquired in satisfaction of debts | -             | -             |

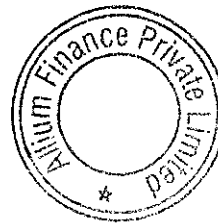
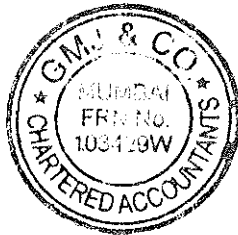
Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998

37.13 Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended 31 March 2023 - NIL (Previous Year : NIL)



**Allium Finance Private Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

**37 Regulatory disclosures - RBI (continued)**

**37.14** The Company has no disclosure in respect of securitisation as there are no financial assets sold to securitisation / reconstruction company

**37.15 Unsecured Advances**

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil

**37.16** Impact of prior period items on current year's profit and loss: Nil (Previous year Nil)

**37.17** Circumstances in which Revenue Recognition has been postponed: Nil (Previous year Nil)

**37.18** Draw Down from Reserves: Nil (Previous year Nil)

**37.19** Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil (Previous year Nil)

**37.20** Details of financing of parent company products - None (Previous year - none)

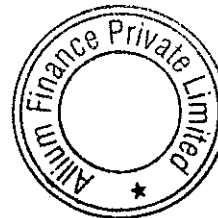
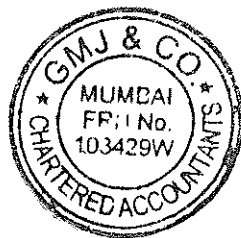
**37.21** Off-Balance SPV sponsored - None (Previous year - none)

**37.22** Registration obtained from other financial sector regulators - Nil (Previous year Nil)

**37.23** Disclosure of Penalties imposed by RBI and other regulators - Nil (Previous year Nil)

**37.24 Disclosure on liquidity risk**

- i) Funding concentration based on significant counterparty (both deposits and borrowings) - N/A (previous year - N/A).
- ii) Top 20 large deposits - N/A (previous year - N/A).
- iii) Top 10 borrowings - N/A (previous year - N/A).
- iv) Funding concentration based on significant instruments / products - N/A (previous year - N/A).



## 37 Regulatory disclosures - RBI (continued)

## 37.25 Prudential Floor for ECL

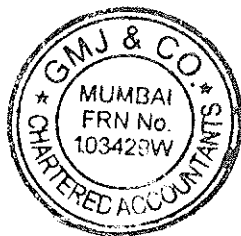
Comparison between provision required under IRACP and impairment allowances made under IND AS 109

As at 31 March 2023

| Asset classification as per RBI norms | Asset classification as per IND AS 109 | Gross carrying amount as per IND AS | Loss allowances (provisions) as required under IND AS 109 | Net carrying amount | Provisions required as per IRACP norms | Difference between IND AS 109 provisions and IRACP norms |
|---------------------------------------|--|-------------------------------------|---|---------------------|--|--|
| A                                     | B                                      | C                                   | D   | E = C - D           | F                                      | G = D - F  |
| <b>Performing assets</b>              |  |                                     |   |                     |  |  |
| Standard                              | Stage I                                | 2,39,079.40                         | 929.32  | 2,38,150.08         | 956.32                                 | -  |
|                                       | Stage II                               | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal (i)</b>                   |  | <b>2,39,079.40</b>                  | <b>929.32</b>   | <b>2,38,150.08</b>  | <b>956.32</b>                          | <b>-</b>   |
| <b>Non-performing asstes (NPA)</b>    |  |                                     |   |                     |  |  |
| Substandard                           | Stage III                              | 6,749.94                            | 6,749.94  | -                   | 6,749.94                               | -  |
| Doubtful (more than 3 years)          | Stage III                              | -                                   | -   | -                   | -                                      | -  |
| Loss                                  | Stage III                              | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal (ii)</b>                  |  | <b>6,749.94</b>                     | <b>6,749.94</b>   | <b>-</b>            | <b>6,749.94</b>                        | <b>-</b>   |
| <b>Total</b>                          | Stage I                                | 2,39,079.40                         | 929.32  | 2,38,150.08         | 956.32                                 | -  |
|                                       | Stage II                               | -                                   | -   | -                   | -                                      | -  |
|                                       | Stage III                              | 6,749.94                            | 6,749.94  | -                   | 6,749.94                               | -  |
|                                       | <b>Total</b>                           | <b>2,45,829.34</b>                  | <b>7,679.26</b>   | <b>2,38,150.08</b>  | <b>7,706.26</b>                        | <b>-</b>   |

As at 31 March 2022

| 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  |
| <b>Performing assets</b>              |  |                                     |   |                     |  |  |
| Standard                              | Stage I                                | 1,51,530.06                         | 606.12  | 1,50,923.94         | 606.12                                 | -  |
|                                       | Stage II                               | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal (i)</b>                   |  | <b>1,51,530.06</b>                  | <b>606.12</b>   | <b>1,50,923.94</b>  | <b>606.12</b>                          | <b>-</b>   |
| <b>Non-performing asstes (NPA)</b>    |  |                                     |   |                     |  |  |
| Substandard                           | Stage III                              | 6,749.94                            | 2,024.98  | 4,724.96            | 2,024.98                               | -  |
| Doubtful (more than 3 years)          | Stage III                              | 30,000.00                           | 15,000.00   | 15,000.00           | 15,000.00                              | -  |
| Loss                                  | Stage III                              | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal (ii)</b>                  |  | <b>36,749.94</b>                    | <b>17,024.98</b>  | <b>19,724.96</b>    | <b>17,024.98</b>                       | <b>-</b>   |
| <b>Total</b>                          | Stage I                                | 1,51,530.06                         | 606.12  | 1,50,923.94         | 606.12                                 | -  |
|                                       | Stage II                               | -                                   | -   | -                   | -                                      | -  |
|                                       | Stage III                              | 36,749.94                           | 17,024.98   | 19,724.96           | 17,024.98                              | -  |
|                                       | <b>Total</b>                           | <b>1,88,280.00</b>                  | <b>17,631.10</b>  | <b>1,70,648.90</b>  | <b>17,631.10</b>                       | <b>-</b>   |



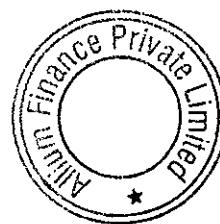
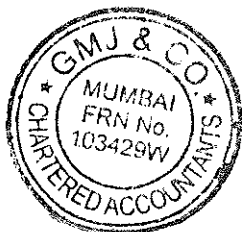


**Allium Finance Private Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

- 38. Foreign currency**  
The Company has not undertaken any foreign currency transaction during the year ended 31 March 2023 (Previous year: Rs Nil).
- 39. Details of Benami Property held**  
There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 40. Details of borrowings from banks or financial institutions on the basis of security of current assets**  
The Company has not been sanctioned any type of loan from banks or financial institutions during any point of time of the year on the basis of security of current assets.
- 41. Wilful Defaulter**  
The Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender.
- 42. Relationship with Struck off Companies**  
The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- 43. Registration of charges or satisfaction with Registrar of Companies (ROC)**  
The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- 44. Undisclosed income**  
The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 45. Details of Crypto Currency or Virtual Currency**  
The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- 46. Title deeds of Immovable Properties not held in name of the Company**  
There is no immovable property held by the Company as at March 31, 2023.
- 47. Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person**  
During the year the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of payment.
- 48. Revaluation of Property, Plant and Equipment**  
The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.



**Allium Finance Private Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian ₹ in Thousands)

**49. Declaration of Dividend**

During the year Company has not declared or paid any dividend.

**50. Utilisation of Borrowed funds and share premium**

(A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :

(i) 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

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) 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

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

**51. Previous year figures have been reclassified to conform to this year's classification.**

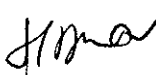
The accompanying notes are an integral part of financial statements.

As per our report of even date attached.

**For GMJ & Co.**

Chartered Accountants

Firm's Registration No. 103429W



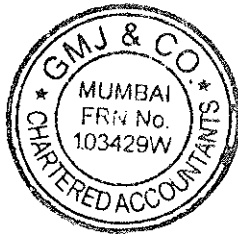
Haridas Bhat

Partner

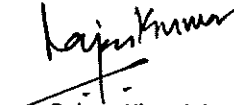
Membership No: 039070

Mumbai

19 May 2023



**For and on behalf of the Board of Directors**



Rajeev Khandal

Director

DIN : 07340336

Mumbai

19 May 2023



Amit Agarwal

Director

DIN : 06396342

