

ANNUAL REPORT **2023**

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*Ekk kadam
aatmnirbharta ki ore*



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Mission

To encourage and enhance the financial inclusion to empower women and under-privileged in rural areas by way of sustainable business practices.



Founder's Statement

यद्यदाचरती श्रेष्ठस्तत्तदेवेतरो जनः।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते।।
जो कोई भी अपने कर्म से आदर्श स्थापित करता है, संपूर्ण विश्व उसका अनुसरण करता है।

Source: Shrimad Bhagavad Gita

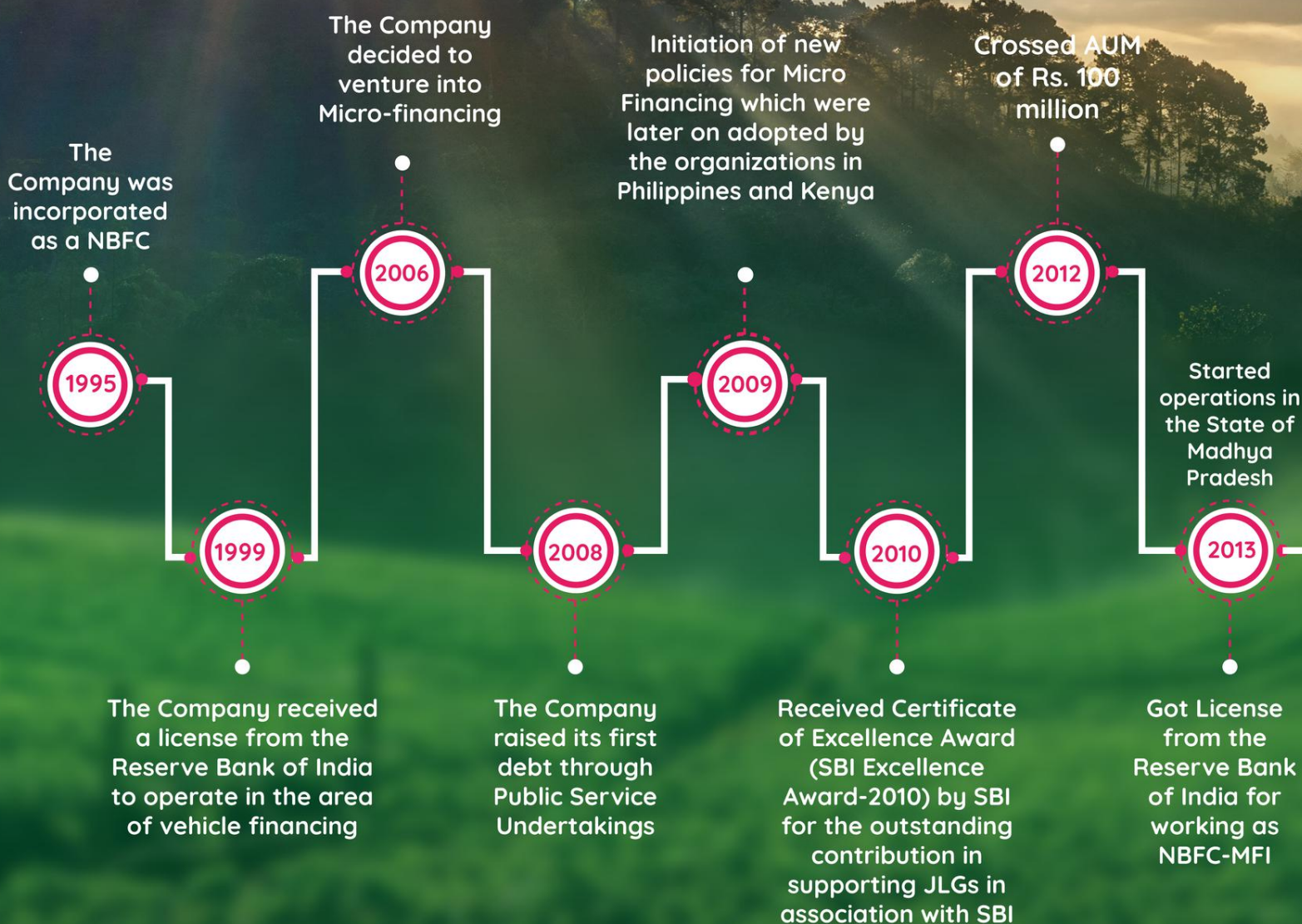




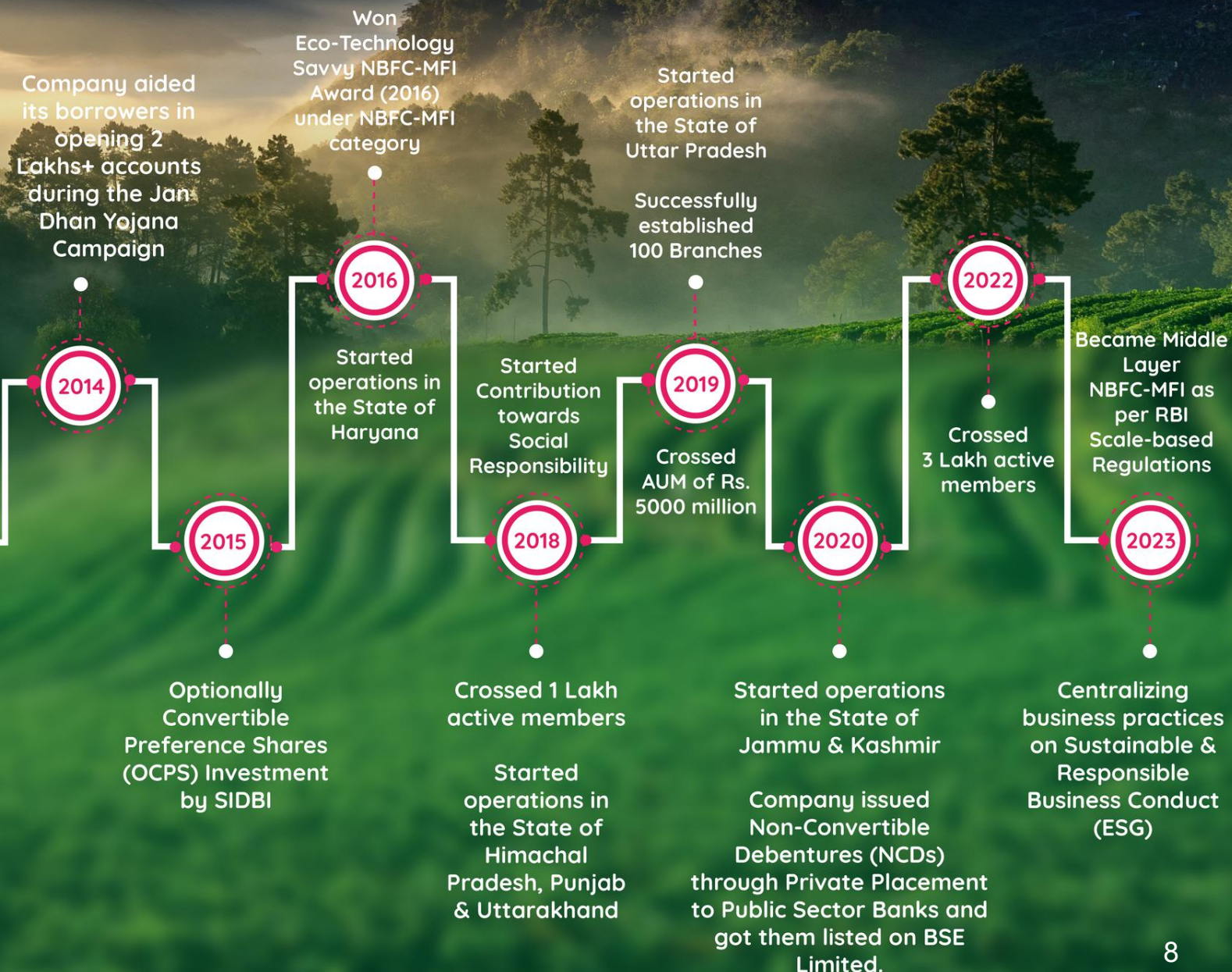
Vision

To be known as an institution driven by ethics, values, sustainability & strong corporate governance practices for contributing in financial inclusion through women empowerment with aid of technology.

Aapke sapne aur Digam



Number ka saath rach raha hai ekk naya itihhaas



CORPORATE INFORMATION

Company Identification Number

U67120RJ1995PLC009862



Company's Official Website
<https://www.digamberfinance.com>



Company's Official E-Mail
info@digamberfinance.com



Statutory Auditors
KALANI & COMPANY
Chartered Accountants
705, VII Floor, Milestone Building, Gandhi Nagar
Crossing, Tonk Road Jaipur, Rajasthan 302015



Debt Trustee
Catalyst Trusteeship Ltd
Windsor, 6th Floor, Office No.604, C.S.T Road,
Kalina, Santacruz (E) Mumbai-400098



Registered & Corporate Office
Digamber Capfin Ltd
J 54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan
Toll Free 1800 1806 365



GST Registration Number
08AAACD4387Q2ZZ



Registrar & Transfer Agent
CDSL Ventures Ltd.
I-202, Deck Level, Tower No.4, 2nd Floor
above Belapur Railway Station, Belapur,
Navi Mumbai-400614

KEY PERFORMANCE INDICATOR

OPERATIONAL

09



Number of States & Union Territories

199



Number of Branches

1906



No. of Employees

393347



No. of Customers/ Borrowers

FINANCIAL

AUM

Rs. 114,260.41 Lakhs

Total Revenue

Rs. 25,681.55 Lakhs

Net Profit

Rs. 3,941.25 Lakhs

GNPA

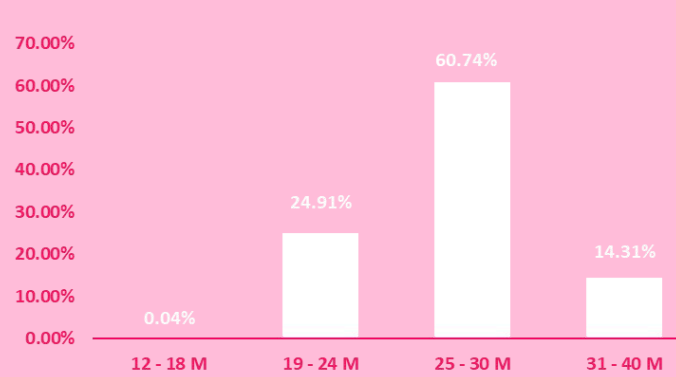
2.95%

NNPA

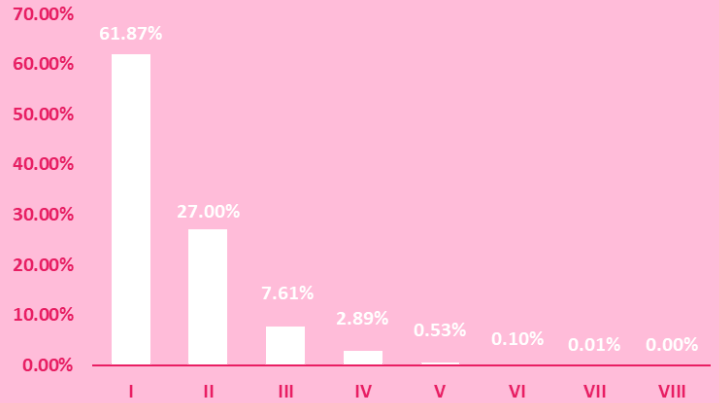
0.99%

FY23 highlights

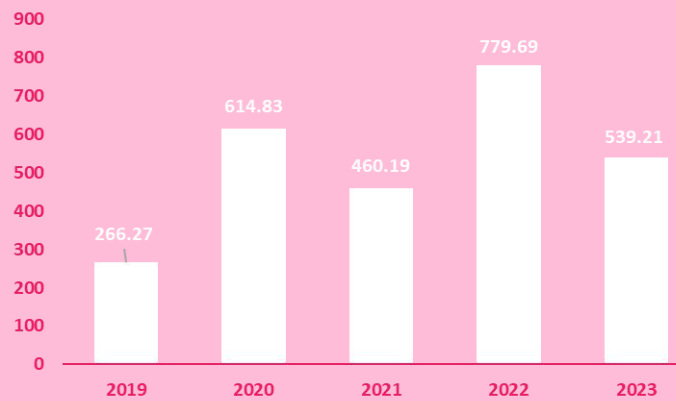
Tenure Wise Portfolio



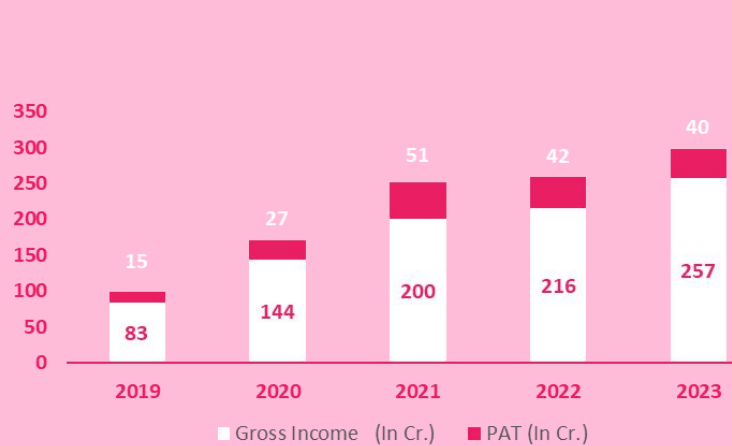
Loan Cycle Wise Portfolio



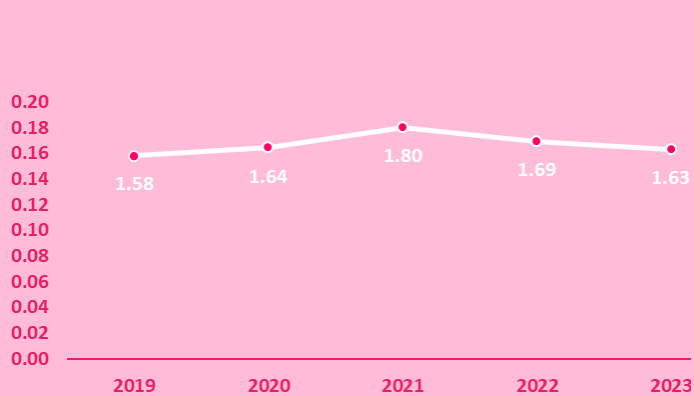
Debt Raised (On & Off Balance Sheet)



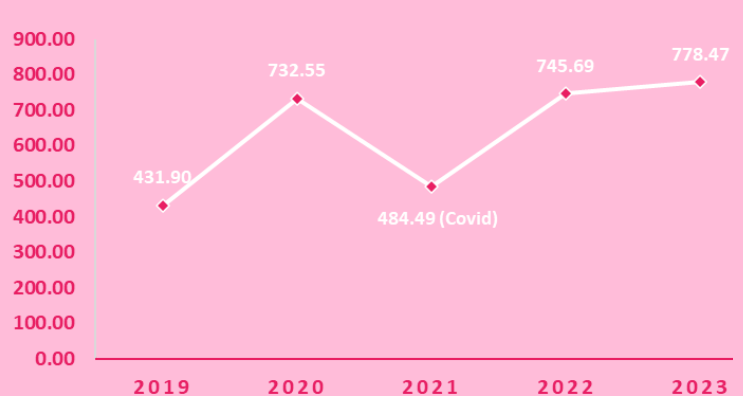
Gross Income V/S Pat



Interest Coverage Ratio (On Time)

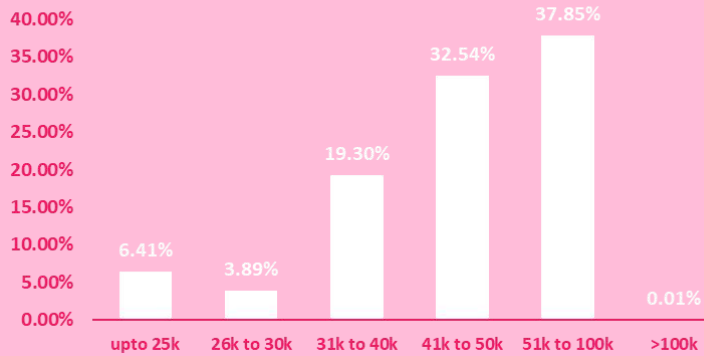


Disbursement

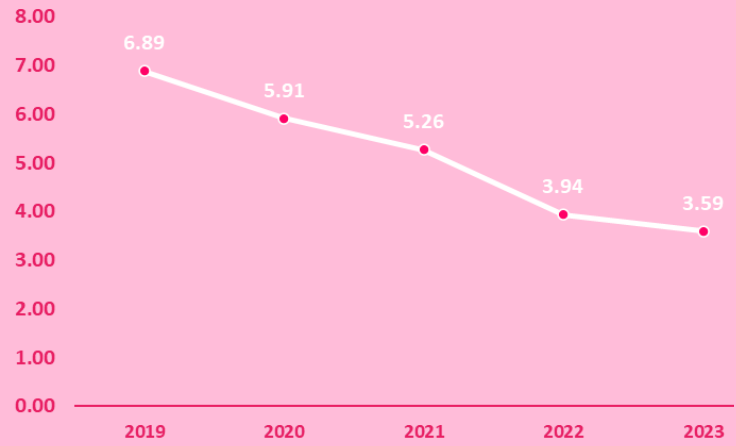


FY23 highlights

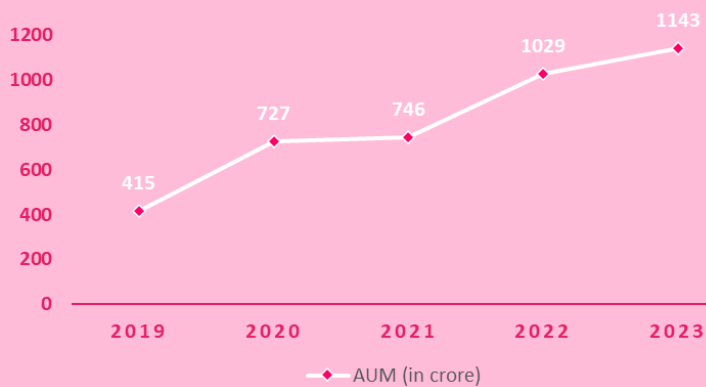
Loan Amount Wise Portfolio



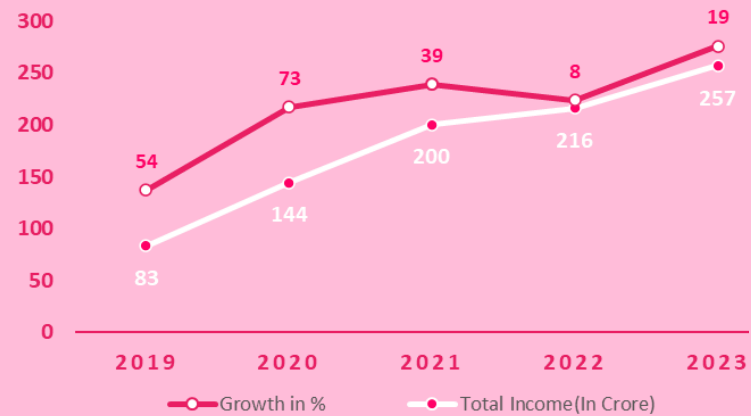
Tol/Tnw



Aum Growth (In Crore)



Growth Of Income



BOARD OF DIRECTORS & KMPS



RAJIV JAIN

Chairman cum Managing
Director



AMIT JAIN

Whole Time Director
cum CFO



NAYAN AMBALI

Non-Executive Director



LALIT KUMAR JAIN

Independent Director



JATIN CHHABRA

Non-Executive Director



DR. AMITA GILL

Independent Director



SHASHANK VYAS

Nominee Director

" यत्र नार्यस्तु पूज्यन्ते रमन्ते तत्र देवताः । यत्रैतास्तु न पूज्यन्ते
सर्वस्त्राफलाः क्रियाः ॥ "

अर्थात् - " जहाँ स्त्रियों की पूजा होती है, वहाँ देवता निवास करते हैं और जहाँ स्त्रियों की पूजा नहीं होती, उनका सम्मान नहीं होता, वहाँ किए गए समस्त अच्छे कर्म भी निष्फल हो जाते हैं ॥ "

Dear Stakeholders,

It is an honor, as the Chairman of the Company, to present the 28th Annual Report of the Company for the Financial Year 2022-2023.

There cannot be any worship of woman than make them financially independent. The Company aims at providing financial assistance to the Women Aspirants. The Company believes in achieving women empowerment through financial inclusion and acknowledges that for a nation's growth, the growth of the Women is necessary.

Achieving new standards keeps us motivated to do more for our customers and nation. It gives us the zeal to work in the pro-active manner for expanding our reach in the rural and under privileged areas.

YEAR 2022-23 IN PERSPECTIVE

Your Company is a public limited company having license of NBFC-MFI from Reserve Bank of India.

This year has been a memorable year for us. We have crossed AUM of Rs. 10,000 Million making it a Middle Layer NBFC as per the Reserve Bank of India's Scale Based Regulations. We were able to reach this height with the combined efforts of the various stakeholders of the Company. Each and every person has contributed in their own way to accomplish this.

During the financial year 2022-23, with the opening of its branch in the State of Bihar, the Company has now marked its presence in 9 States and Union Territories of India. The Company is looking forward for expanding its wings in the other states and union territories too in the years to come.

Following are the financial highlights of the company for the financial year 2022-2023:-

- The total revenue has increased by 18.74% from Rs. 21,627.84 Lakhs in previous year to Rs. 25,681.55 Lakhs in current year.
- The Earnings Before Interest, Depreciation and Amortization (EBITDA) increased by 21.14% from Rs. 11,501.27 Lakhs in previous year to Rs. 13,932.15 Lakhs in current Year.
- The Profit Before Tax (PBT) has increased by 14.99% from Rs. 4,654.62 Lakhs in previous year to Rs. 5,352.52 Lakhs in current year.

STATEMENT FROM THE CHAIRMAN OF THE BOARD



- The Profit After Tax (PAT) for the current year stands at Rs. 3,941.25 Lakhs as compared to Rs. 4,208.14 Lakhs in previous year.
- The Earning Per Share (EPS) for the current year is Rs. 39.90 as against Rs. 42.61 in the previous year.

FINANCE

Funds being the raw material for the business are very important for running the operations of the company. The company explored various other sources for the funds during the year apart from the financial facilities from banks and financial institutions.

During the year, the Company has introduced External Commercial Borrowings in its structure and being associated with Agent for Impact for receiving ECBs from a German-based Fund.

TECHNOLOGY

You company believes in using the technology and would like to take part in the aim of government for increasing digital payments and financial inclusion. The company has already started using technology on pilot basis for completing the loan process through digital mode. The preliminary results are encouraging and it is expected that the implementation will be completed in entire organization by end of next financial year i.e. by 31.03.2024.

As an initiative to promote digital process for loan, the Company has applied for license for Authentication User Agency and KYC User Agency, popularly known as AUA/KUA License from Unique Identification Authority of India (UIDAI) which will make it easier for the customers as well as the Company to carry out the KYC procedure without any hassle.

For the years coming ahead, with the introduction of Core Financial Services Solutions (CFSS), the Company aims to make lending for its customers easier and seamless. The Company is oriented towards making financial inclusion possible in the rural and semi-rural areas with the aid of technology.

CORPORATE GOVERNANCE

Your company believes in strong Corporate Governance. As per the requirement of SEBI (LODR) Regulation 2015 and amendments there to, your Company has successfully met out all the enforced requirement and compliances. It constantly endeavors to follow the practices of good corporate governance by conducting the business operation for the benefit of its stakeholders. This enhances the goodwill and forms a better image of your Company in Corporate sector.

As a responsible business organization, the Company is in process of adopting more sustainable approach while running its business operations. Being a firm believer of growth with sustainability, the Company is under the process of revamping its resources for its application towards adoption of Environment, Social and Governance Framework of the Company.

COMPLIANCE & RISK MANAGEMENT

As per the requirement of various authorities and law, the company has put more efforts to put in a robust and strong compliance and internal control system in the company. Your Company oversees the primary aspect of vigilance. The Company is having a wide policy on Risk Management and has taken requisite measures to mitigate them.

ACKNOWLEDGEMENTS

With this, I would like to express my gratitude to the Board members for their valuable inputs and being the strength of the Company during the year under review. I look forward for their continued support. My vote of thanks would not be complete without the appreciation of the work of our Digamber Family.

I would like to thank our shareholders, Regulatory Authorities and lenders for their humble support and I am optimistic that the alignment and commitment of the shareholders, Board and Digamber Family will navigate us through changing times and ever-evolving regulatory and policy landscape.

We have committed ourselves to the key player in NBFC-MFI sector and are confident to be successful in our endeavors.

On behalf of the Board of Directors, I want to thank you for your continued trust, confidence and support.

BOARD'S REPORT

To,
The Members,

Digamber Capfin Limited

J 54-55, Anand Moti,
Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018

Your directors have pleasure in presenting the Twenty-Eighth (28th) Board's Report of your Company together with the Audited Standalone Financial Statements and the Independent Auditors Report of your Company for the financial year ended March 31, 2023.

1. OVERVIEW

Digamber Capfin Limited ("hereinafter referred as the Company or DCL") is a Non-Banking Financial Company-Non Deposit Taking Systematically Important-Micro Finance Institution (NBFC-NDSI-MFI) and is registered with Reserve Bank of India under Section 45-IA of Reserve Bank of India Act, 1934 having Registration No. (RBI: B.10.00099). Further, the Company has not accepted any public deposits during the Financial Year 2022-2023 and does not have outstanding public deposits as at the end of financial year ended March 31, 2023.

Further, as per the RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021, as on March 31, 2023 the Company has crossed asset size of Rs. 1000.00 Crore and thus the Company falls under the category of NBFC-Middle Layer. The company is operating primarily in the business of micro finance.

2. FINANCIAL SUMMARY OR HIGHLIGHTS OF THE COMPANY

DCL adopted Indian Accounting Standard (IND-AS) from the financial year March 31, 2022. The annexed Standalone financial statement complies all the materials aspects mention in the Indian Accounting Standard and the Schedules of the Companies Act 2013 and other relevant provisions of the Act.

The Company's financial Summary or Highlights for the year under review along with previous year's figures is given hereunder:

Particulars		Unit	March 31, 2023	March 31, 2022	Difference	Change (%)
Total Revenue from Operations		Rs. In Lakh	25106.06	21043.96	4,062.10	(+) 19.30%
Other Income		Rs. In Lakh	575.49	583.89	8.4	(-) 1.44%
Total Income		Rs. In Lakh	25,681.55	21,627.84	4,053.71	(+) 18.74%
Total Expenditure		Rs. In Lakh	20,329.03	16,973.22	3,355.81	(+) 19.77%
Profit before tax		Rs. In Lakh	5,352.52	4,654.62	697.9	(+) 14.99%
Tax Expenses	Current Tax	Rs. In Lakh	1,665.64	1,015.09	650.55	(+) 64.09%
	Deferred Tax		(-)291.08	(-)568.61	277.53	(+) 48.81%
	Income Tax for Earlier Year		36.71	0	36.71	(+) 100%
Profit after tax		Rs. In Lakh	3,941.25	4,208.14	(-) 266.89	(-) 6.34%
Dividend paid on 9% Optionally Convertible Preference Shares		Rs. In Lakh	0	10.39	(-) 10.39	(-) 100%
Dividend Distribution Tax		Rs. In Lakh	0	0	0	-

There has been no change in the nature of business of the Company during the period under review.

3. OPERATIONAL HIGHLIGHTS

Particulars	Unit	March 31, 2023	March 31, 2022	Change (%)
Number of Branches	No's	199	183	(+) 8.74
Number of States	No's	9	8	(+) 12.5
No. of Customers/ Borrowers	No's	393347	401652	(-) 2.07
No. of Employees	No's	1906	2067	(-) 7.79
Amount Disbursed	Rs. In Lakh	77847	74568.74	(+) 4.40
Gross Loan Portfolio	Rs. In Lakh	90350.27	74144.54	(+) 21.86

As on March 31, 2023 Company was operating with 199 branches spread over 9 states and Union Territories namely Bihar, Haryana, Himachal Pradesh, Jammu and Kashmir, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and, Uttarakhand with 3,93,347 active customers.

4. DIVIDEND

The Board of Directors has not recommended any dividend for the year under consideration on Equity Shares of the Company.

5. TRANSFER OF SHARES / UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

No amount is laying in the Unpaid Dividend Account or any other fund as specified in the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 which is required to transfer in the IEPF. Therefore, there is no requirement of transferring any sum during the Financial Year 2022-2023 to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 and rules made thereunder.

6. AMOUNTS TRANSFERRED TO RESERVES AND SURPLUS

As per provisions of Section 45-IC of Reserve Bank of India Act, 1934, the Company has to transfer not less than 20% of the Profit after Tax to the Statutory Reserve Fund. The Company has transferred Rs. 1,070.50 Lakhs to statutory reserves in accordance with the provisions of section 45-IC of Reserve Bank of India Act, 1934 and remaining current year profit of Rs. 3941.25 Lakh to the Reserves and Surplus.

Further, the Company has transferred Rs. 43.66 Lakhs to Share Based Payment Reserves against the options granted under ESOS.

The company has transferred following amounts from/to retained earnings to these reserves:

Particulars	As at March 31, 2023 (Rs. in Lakhs)
At the Beginning of the Period	12943.11
Add: Profit/(Loss) for the period	3941.25
Add: Other Comprehensive Income	14.01
Less: Transfer to Special Reserves under section 45 IC of RBI	1070.5
Less: Transfer to Capital Redemption Reserve (CRR)	0
Less: Transfer to Debenture Redemption Reserve (DRR)	0
At the end of the period	15827.87

7. STATE OF THE COMPANY'S AFFAIR/BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

Your directors wish to present the details of Company's Business operations and State of affairs during the year under review:

a) INCOME (TURNOVER):

During the financial year 2022-2023 total revenue from operation of the company was Rs. 25106.06 Lakhs which was Rs. 21627.84 Lakhs during the previous financial year hence witnessed a growth of 16%.

The financial statements for the year ended on March 31, 2023 shows an increment in the total income by 18.74% from the last year. During the year total income is Rs. 25,681.55 Lakhs whereas in the last year was Rs. 21627.84 Lakhs.

b) PROFITABILITY:

The financial statements for the year ended on March 31, 2023 indicate decrease in the profitability by 6.34% from the last year due to write-offs. During the year profit is Rs. 3,941.25 Lakhs where as in last year profit was Rs. 4208.14 Lakhs.

c) SEGMENT-WISE POSITION OF BUSINESS AND ITS OPERATIONS:

The Company operates in the single segment, i.e. Non-Banking Finance as a Micro-finance institution. Therefore, the segment-wise disclosure of business of the Company is not applicable.

d) CHANGE IN STATUS OF THE COMPANY

During the period under review, there was no change in the status of the Company. However, by redemption of its Non-Convertible Debentures on April 21, 2023, the Company has now become an unlisted entity.

e) KEY BUSINESS DEVELOPMENTS

The Company is under the process for applying for AUA-KUA License from Unique Identification Authority of India (UIDAI) which shall make the procedure for granting of loans seamless.

f) CHANGE IN THE FINANCIAL YEAR

The Company's financial year begins from April 1 every year and ends on March 31 in the subsequent year. During the period under review, there is no change in the Financial Year of the Company.

g) CAPITAL EXPENDITURE PROGRAMMES

The Company has incurred an expenditure amounting to Rs. 358.57 Lakhs for the construction of Office Building.

h) DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION, MODERNIZATION AND DIVERSIFICATION

During the period under review, no such event took place.

i) DEVELOPMENTS, ACQUISITION AND ASSIGNMENT OF MATERIAL INTELLECTUAL PROPERTY RIGHTS

During the period under review, no such event took place.

j) ANY OTHER MATERIAL EVENT HAVING AN IMPACT ON THE AFFAIRS OF THE COMPANY

During the period under review, the Company has entered into an agreement with foreign lender IIV Mikrofinanzfonds, a close ended credit fund organized and existing under the laws of Germany, represented by HANSAINVEST Hanseatische Investment-GmbH, Germany for availing an External Commercial Borrowings (ECB) facility of € 5,000,000 (Euro Five Millions Only).

k) MARKETING AND MARKET ENVIRONMENT:

During the period under review, the Company has covered whole State of Bihar, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand. The application of modified marketing strategies led to opening of new branches in the above-mentioned states and as on March 31, 2023 the total number of branches are 199 Branches.

l) FUTURE PROSPECTS INCLUDING CONSTRAINTS AFFECTING DUE TO GOVERNMENT POLICIES:

During the period under review, the following regulations came into force:

- The RBI on March 14, 2022, has issued directions namely 'Reserve Bank of India (Regulatory Framework for Microfinance) Directions, 2022 which came into effect from April 1, 2022. The new Regulatory Framework was required to match the changing dynamics of the MFI sector.
- The RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021.
- The RBI on April 11, 2022, issued circular for Compliance Function and role of Chief Compliance Officer (CCO) in relation to the Scale Based Regulatory (SBR) framework for NBFCs was put in place vide circular dated October 22, 2021.
- Wide RBI Circulars dated April 19, 2022, the RBI gave the Loans and Advances – Regulatory Restrictions – NBFCs and disclosures in the Financial Statements which were in relation to the Scale Based Regulatory (SBR) framework for NBFCs.
- The RBI on April 29, 2022, issued guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs in consonance of the Scale Based Regulatory (SBR) framework for NBFCs was put in place vide circular dated October 22, 2021.

The Company believes that the RBI's new regulations will aid in strengthening the compliance framework of the Company with a level playing field for all lenders and has initiated all necessary steps to ensure the compliance of all the above circulars issued from Reserve Bank of India.

f) RESOURCE MOBILISATION:

During the Financial Year 2022-23, the Company met its funding through diversified sources from Public Sector Banks, Private Sector Banks, Financial Institutions etc.

No interest payment or principal repayment of the term loans and Non-Convertible Debentures ('NCDs') was due and unpaid as on March 31, 2023. The Company has not received any grievances from the debt security holders. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No such material changes took place from the date of closure of the financial year in the nature of business and their effect on the financial position of the company.

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant & material orders passed by any such authorities which impacts the going concern status and company's operations in future.

10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate Company or Joint venture. Hence, the Company is not required to report the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under review.

During the period under review, no companies which have become or ceased to become the Subsidiaries, joint ventures or associate companies of the Company.

11. PARTICULARS OF DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 as well as RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. Further, your company is Non-Banking Financial Company registered with Reserve Bank of India (RBI) as non-deposit taking NBFC, hence confirmed that in the future, the company shall not accept any public deposit without prior approval of the RBI.

The Company has not received any secured or unsecured loan from the Directors or shareholders or relative of Directors of the company during the financial year 2022-2023.

As per RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 your directors disclosed the following particulars with respect to the deposits:

- i. the total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment:

NIL as already disclosed, the company has not accepted any deposits.

- (ii) the total amounts due under such accounts remaining unclaimed or unpaid beyond the dates referred to in clause (i) as aforesaid:

Not Applicable as the company has not accepted any deposits.

As per Chapter V of the Companies Act, 2013 your directors disclosed the following particulars with respect to the deposits:

- (i) accepted during the year: **NIL**

- (ii) remained unpaid or unclaimed as at the end of the year: **NIL**

- (iii) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

- a. at the beginning of the year: **NIL**
- b. maximum during the year: **NIL**
- c. at the end of the year: **NIL**
- d. the details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: **N.A.**
- e. Details of National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT) orders with respect to depositors for extension of time for repayment, penalty imposed, if any: **N.A.**

12. AUDITORS AND THEIR REPORT THEREON

• STATUTORY AUDITOR

M/s Kalani & Company, Chartered Accountants, (FRN:000722C), were appointed as the Statutory Auditor of the company for a period of 3 years from the conclusion of 26th Annual General Meeting ("AGM") till the conclusion of 29th AGM pursuant to RBI circular ref. no. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021. As required under Section 139(1) of the Companies Act, 2013 and RBI Guidelines, the Company has obtained an eligibility certificate from the above-mentioned Auditors to the effect that they conform with the limits specified in the said Section and that they have not been disqualified in any manner from continuing as Statutory Auditors within the meaning of Section 141 of the Companies Act, 2013 and aforesaid RBI Guidelines.

The Statutory Auditors has given unmodified report for the financial year 2022-2023.

Further, the notes to the accounts referred to in the Auditor's Report are self-explanatory hence do not require any further clarifications.

• SECRETARIAL AUDITORS

In compliance with the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, your Company has appointed M/s R. Chouhan & Associates, Practicing Company Secretaries, Jaipur as the Secretarial Auditor of the company for the financial year 2022-2023.

The Secretarial Audit Report for the financial year 2022-2023 in form MR-3 is annexed herewith which forms part of this report as **Annexure- "A"**.

The Secretarial Audit Report along with the annexure are self-explanatory and do not require further clarifications.

• COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the maintenance of cost records has not been specified by the Central Government under the said section for the business activities carried out by the NBFC.

Hence, provision of appointment of Cost Auditors & maintenance cost records is not applicable to the Company.

• INTERNAL AUDITORS

In compliance with the provisions of Section 138 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the company has designated and made Mr. Shashank Y. Kumar, Chartered Accountant, (M. No.: 438044) responsible as an Internal auditor, to carry out the Internal Audit of the Company for the Financial Year 2022-23. The internal auditor submits its report on such frequency as recommended by Audit Committee and approved by Board of Directors of the Company.

Further, Mr. Shashank Y. Kumar Chartered Accountant, has also been appointed as an Internal auditor, to carry out the internal audit of the Company for the Financial Year 2023-2024.

13. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the period under review, no fraud has been noticed or reported by the Auditors which are reportable to the central government under sub-section (12) of Section 143 of Companies Act, 2013 and rules made thereunder.

Cash embezzlement by the employees of total amounting to Rs. 2.22 lakhs on account of Staff Fraud has been noticed and duly reported by the Statutory Auditor in their Independent Auditor Report during the period under review. The company has already initiated the required action regarding the matter.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures.

15. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft annual return of the Company for the financial year ended on March 31, 2023 in the prescribed Form MGT-7 is available on the Company's website at <https://www.digamberfinance.com/disclosure.php>

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

• CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy: Your Company is financial Service provider henceforth it does not require intense consumption of energy. However, company have taken sufficient measures to reduce energy consumption. The head office of the Company has been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional Compact fluorescent lamps and incandescent bulbs. Additionally, our employees are educated on responsible equipment usage and encouraged to turn off devices when not in use.

(ii) The steps taken by the company for utilizing alternate sources of energy: NIL as the Company is in the service industry and company is using basic energy sources.

(iii) The capital investment on energy conservation equipment's: In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment.

• TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption: The Company actively engages itself towards technology advancements to serve its customers/borrowers better and to create technology friendly environment for its employees who, in turn, help them to manage the processes efficiently and economically.

During the period under review, the Company has initiated the process for its enrollment as AADHAAR Authentication License of Authentication User Agency (AUA)/KYC User Agency (KUA) and company has received UIDAI letter dated 06th February, 2023 regarding appointment of the company as Local Authentication User Agency (AUA)/e-KYC User Agency (KUA).

Also, the Company is in the process of launching its mobile application for processing the loan and for providing loan related information and documents to its borrowers on single-click.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: **N.A.**

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

(iv) The expenditure incurred on Research and Development: **NIL**

• FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: **NIL**

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has adopted a Corporate Social Responsibility Policy formulated and approved by the Board of Directors on the recommendation of Corporate Social Responsibility Committee ("CSR Committee").

Corporate Social Responsibility Policy of the company covers broad aspects with related to the CSR Implementation, CSR Committee Composition, CSR Expenditure, CSR Reporting, Transfer of Unspent CSR amount, CSR Fund, Role & responsibility of Board and CSR Committee, Activities under CSR etc. and the complete policy is available on the website of the company at <https://digamberfinance.com/images/uploadimage/Corporate%20Social%20Responsibility%20Policy-new.pdf>.

The Annual report on Corporate Social Responsibility is annexed herewith as **Annexure "B"**.

In terms of Section 135 of the Companies Act, 2013 read with CSR Rules, your Company has during the Financial Year 2022-23, spent two percent of the average net profits of your Company during the three preceding financial years in accordance with the CSR Policy and the Annual Action Plan approved by the Board of Directors, from time to time on the recommendation of the CSR Committee. Further, the Chief Financial Officer has certified that the funds disbursed for CSR activities have been used for the purpose and in the manner approved by the Board for Financial Year 2022-23.

18. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

While selecting Directors, the Company looks for an appropriate balance of skills, fit & proper criteria as per RBI guidelines, experience, independence and knowledge to enable them to discharge their responsibilities effectively. The Company has laid down a clear Policy on remuneration of Directors, KMP and Senior Management.

As on 31st March, 2023, the Board comprises of the following members:

S. No.	Name of the Directors	DIN	Category	Position on the Board as on 31 st March 2023
1.	Mr. Rajiv Jain	00416121	Promoter & Executive Director	Chairman & Managing Director
2.	Mr. Amit Jain	00416133	Promoter & Executive Director	Whole Time Director & CFO
3.	Mr. Lalit Kumar Jain	07517615	Non-Executive Director	Independent Director
4.	Dr. Amita Gill	09066022	Non-Executive Director	Independent Director
5.	Mr. Nayan Ambali	03312980	Non-Executive Director	Non-Executive Director
6.	Mr. Shashank Vyas	09789867	Non-Executive & Non-Independent Director	Nominee Director representing SIDBI
7.	Mr. Jatin Chhabra	08271333	Non-Executive Director	Non- Executive Director

Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of Listing Regulations, the Company needs to have at least one-woman director on the Board. The Company has Dr. Amita Gill (DIN: 09066022) as Independent Woman Directors on the Board.

As on 31st March, 2023, the Company has the following KMPs:

S. No.	Name of KMP	Designation
1	Mr. Rajiv Jain	Managing Director
2	Mr. Amit Jain	Whole-time Director and Chief Financial Officer (CFO)
3	Mrs. Neha Agarwal	Company Secretary

A. Changes in Directors and Key Managerial Personnel

CESSATION:

- Mr. Nayan Ambali (DIN: 03312980) resigned from the post of Independent Director of the company with effect from the closure of business hours of 26th May, 2022. The resignation from the post of Independent Director was caused due to removal of his name from the Independent Director's Databank.
- Mr. Dharmendra Saxena (DIN: 08681004) nomination has been withdrawn by Small Industries Development Bank of India ("SIDBI") from the post of Nominee Director of SIDBI vide letter ref. no. SFMC/2023AUG25/L001273404/ND(DCL) dated August 25, 2022.

APPOINTMENT:

- Mr. Nayan Ambali (DIN: 03312980) was appointed as an Additional Non-Executive Director of the company with effect from 27th May, 2022. The Nomination & Remuneration Committee of the Board of Directors had recommended his appointment as he has vast experience & knowledge relating to the affairs of the company and subsequently approved by the Board of Directors in their Meeting held on 26th May, 2022.
- Mr. Shashank Vyas was appointed as a Non-Executive & Non-Independent Nominee Director from SIDBI with effect from November 14, 2022 due to withdrawal of nomination of Mr. Dharmendra Saxena by SIDBI.

REGULARIZATION:

- Mr. Nayan Ambali (DIN: 03312980) was regularized as Non-Executive Director by shareholders of the company in the 27th Annual General Meeting held on September 30, 2022.

During the period under review, there has been no changes in the Key Managerial Personnel of the company.

The Company has duly intimated the changes to the Sectoral Regulator, the Reserve Bank of India as per the prescribed Directions for the above mentioned changes.

B. Retire by Rotation

During the period under review, in compliance with the provisions of Section 152(6) of Companies Act, 2013 Mr. Jatin Chhabra (DIN: 08271333) is liable to retire by rotation and being eligible, offers himself for re-appointment in the ensuing 28th Annual General Meeting.

C. Opinion of Board regarding integrity, expertise and experience of Independent Directors

The Board is of the opinion that the Independent Directors appointed on the Board of the Company are the persons of integrity and possess the requisite expertise and experience required for the position and the Independent Director(s).

During the period under review, no Independent Directors has been appointed or removed.

D. Declaration by an Independent Director(s) and re-appointment, if any

The Company has received declarations from all the Independent Directors of the Company as prescribed under Section 149(7) of the Companies Act, 2013 and rules made there under that they meet with the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013. The declarations received by the Company are annexed with this report in **Annexure "C"**.

Further, the Independent Directors have complied with the Code for Independent Directors adopted by the company as prescribed in Schedule IV to the companies Act, 2013.

E. Evaluation of Board Performance by Independent Directors

The Independent Directors of the company has evaluated the performance of Non-Independent Directors and the Board as whole including review the performance of chairperson of the company in their meeting held on February 09, 2023.

The performance of the Board/Management Committees viz Executive Committee, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Credit Committee, Ombudsman Committee, ALCO Committee, Staff Appraisal Committee, IT Steering Committee, IT Strategy Committee, CSR committee, Incentive Distribution Committee, Investigation Committee and Project Advisory Committee were also evaluated on the basis of criteria as approved by the Board of Directors.

F. Policy on Directors Appointment & Remuneration

The Board on the recommendation of the Nomination & Remuneration Committee has framed & adopted a policy for selection and appointment of Directors, Senior Management personnel and their remuneration. The Policy contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, etc. The Nomination, Remuneration and Compensation Policy is annexed herewith as Annexure "D".

G. Fit and Proper

The Company has adopted a Fit and Proper Policy for ascertaining the Fit and Proper criteria of Directors at the time of appointment and on a continuing basis, pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India.

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria and that they are not disqualified from being appointed/continuing as Directors.

19. MEETINGS OF THE BOARD OF DIRECTORS AND GENERAL MEETINGS

During the Financial Year 2022-2023, the Board of Directors had met Seven (07) times as per Section 173 of the Companies Act, 2013, the details of which are disclosed in the Corporate Governance which is annexed separately in this Board Report as Annexure "E". The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings i.e. not more than 120 days' gap between 2 meetings.

Following is the detail of the general meetings of shareholders held during the financial year 2022-2023:-

S. No.	Type of Meeting (Annual/ Extra- Ordinary)	Date
1	Extra Ordinary General Meeting	25/06/2022
2	27 th Annual General Meeting	30/09/2022

20. MEETINGS OF THE COMMITTEES OF BOARD OF DIRECTORS

There are various committees constituted as per the provisions of Companies Act, 2013, & guidelines of Reserve Bank of India and SEBI (LODR), 2015. The details of meetings of these committees are stated in the Corporate Governance Report in **Annexure "E"**.

21. CORPORATE GOVERNANCE

The Company ensures that the best corporate practices are implemented in its corporate structure. The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company follows the highest standards of business ethics. A report on Corporate Governance is annexed separately in this Board Report as **Annexure "E"**.

22. CHANGES IN SHARE CAPITAL

Particulars for Year ended March 31	2023		2022	
Authorized Share Capital: 1,50,00,000 Equity Shares of Rs. 10/- each 30,00,000 Preference Shares of Rs. 10/- each	1500.00 300.00	1800.00	1500.00 300.00	1800.00
Issued Capital: 98,76,930 Equity Shares of Rs. 10/- each	987.69	987.69	987.69	987.69
Subscribed Capital: 98,76,930 Equity Shares of Rs. 10/- each	987.69	987.69	987.69	987.69
Paid up Share capital: 98,76,930 Equity Shares of Rs. 10/- each	987.69	987.69	987.69	987.69

The Company did not issue any Bonus Shares/Sweat Equity/Right issue/ Equity shares with differential rights or any buy back of shares/securities during the financial year ended March 31, 2023.

Further, the Company has created Share Based Payment Reserve in compliance of Indian Accounting Standard (Ind AS) 102-Share-based Payment. A sum equal to Rs. 43.66 Lakhs (Rupees Forty-Three Lakhs Sixty-Six Thousand Only) has been transferred into "Share Based Payment Reserve".

23. NON-CONVERTIBLE DEBENTURES

The Company had issued listed non-Convertible debentures (NCDs) on the Wholesale Debt Market segment of the BSE Limited through private placement during the Financial Year 2020-21 to State Bank of India (SBI), Punjab & Sind Bank and UCO and Punjab National Bank for an amount of Rs. 25.00 Crore (250 NCDs, Face value of Rs. 10,00,000), 10.00 crore (100 NCDs, Face value of Rs. 10,00,000) and 15.00 (150 NCDs, Face value of Rs. 10,00,000) crore to UCO and Punjab National Bank respectively.

During the Financial Year, the Company has not raised any funds from issuance of NCDs. At the end of the year outstanding balance of NCDs is Rs. 25.00 Crore issued to SBI Bank. The detailed information of outstanding balance of NCDs is provided in General Shareholder Information under Corporate Governance Report

Further, the Equity Shares of the company are not listed on any Stock Exchange in India or abroad.

24. CAPITAL ADEQUACY

The Capital Adequacy Ratio was 25.80 % as on 31st March 2023. The Net Owned Funds (NOF) as on that date was Rs. 22,047.86 Lakhs. The minimum capital adequacy requirement stipulated for your Company by the Reserve Bank of India is 15%.

25. PAYMENT OF LISTING FEE

The Company affirms that the Annual Listing Fees for the year 2022-2023 to the BSE Limited (Stock Exchange) has been paid within the prescribed timeline.

26. DEMATERIALIZATION OF SHARES OF THE COMPANY:

As per notification issued by Ministry of corporate affairs dated September 10, 2018 by inserting Rule 9A of Companies (Prospectus and allotment of Securities) Rules, 2014, effective since 2nd October, 2018, every Unlisted Public Limited Company is required to issue securities only in dematerialized form and required to facilitate dematerialization of all its existing securities in accordance to provisions of the Depositories Act, 1996 & regulations made there under.

Accordingly, company has obtained its ISIN INE02QN01014 for Equity Shares from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) dated 27th November, 2018 & October 01, 2020 respectively and same has been communicated to the shareholders.

Further, CDSL Ventures Limited is providing its services as Registrars & Share Transfer Agent.

As per requirement of MCA notification, complete shareholding of promoters had already converted in Demat form. As on March 31, 2023, 92,52,661 (Ninety-Two Lakh Fifty-Two Thousand Six Hundred Sixty-One) Equity Shares out of Total 98,76,930 (Ninety-Eight Lakh Seventy-Six Thousand Nine Hundred Thirty) were in Demat form & in Percentage terms 93.68% of the shares are in Demat form and balance 6,24,269 Equity Shares representing 6.32% of the total equity capital of the Company were held in physical form.

During the period under review, no Demat requests were received from the shareholders of the Company. The Company will undertake all the required steps and will try on best effort basis to convert remaining achieve the level of 100% shares in Demat form.

27. EMPLOYEES STOCK OPTION PLAN

The Board of Directors of the Company has approved the 'Digamber Capfin Limited Employees Stock Option Scheme-2022 (DCL ESOP 2022) in the Board meeting held on May 26, 2022. Subsequently, the Scheme was also approved by the members in the (01/2022-2023) Extra-Ordinary General Meeting held on June 25, 2022.

The purpose of the scheme is to reward the employee for their performance and motivated them to contribute to the growth and profitability of the Company. By giving ESOP participants an interest in seeing the company growing and performing well in all aspects, these plans supposedly encourage participants to do what's best for the company and shareholders, since the participants themselves are stakeholders and will become shareholders.

Employees, meanwhile, are presented with a way to enhance their net worth, increase their compensation, and essentially be rewarded for their hard work and commitment. Having a stake in the company should make employees feel more appreciated, important and engaged towards the growth of the company.

The disclosures as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2023 are as follows:

S. No.	Particulars	Details
a)	options granted;	68,721
b)	options vested;	NIL
c)	options exercised;	NIL
d)	the total number of shares arising as a result of exercise of option;	NIL
e)	options lapsed;	NIL
f)	the exercise price;	NIL
g)	variation of terms of options;	NIL
h)	money realized by exercise of options;	NIL
i)	total number of options in force;	NIL
j)	employee wise details of options granted to:	Ms. Neha Agarwal, Company Secretary
	(i) key managerial personnel;	
	(i) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	1) Mr. Virendra Kumar Bhargaw 2) Mr. Dharmendra Jangid 3) Mr. Vivek Yadav 4) Mr. Pawan Kumar
	(i) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL

28. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

As per Rule 11 (2) of the Companies (Meetings of Board and its Powers) Rules, 2014 provisions of Section 186 of the Companies Act, 2013 are not applicable on the company except sub-section (1) of Section 186.

Further as a part of business operations of the company, the company is required to open fixed deposit account with various banks to provide collateral security against the fund borrowed by the company in compliance of Section 179 & 180 (1) (a) & (c) of Companies Act, 2013 along with rules provided for this purpose & modifications thereafter, if any.

As on March 31, 2023 outstanding balance of all fixed deposits and Mutual Funds was as under:

S. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Fixed Deposits	6747.62	5472.27
2	Mutual Funds	587.62	559.91

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into various Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2(76) of the said Act. Further, all the necessary details of transaction entered with the related parties are enclosed herewith in **Form No. AOC-2 as Annexure: "F"**.

All the related party transactions that were entered during the Financial Year are done on an arm's length basis. All the necessary details of transactions entered with the related parties are mentioned in the Note No. 40 of the Financial Statements for the Financial Year ended on March 31, 2023 in accordance with the Accounting Standards

Further, as per RBI Master Circular no. RBI/2015-16/12 DNBR (PD) CC.NO.053/03.10.119/2015-2016 dated 1st July, 2015 regarding "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" policy of Related Party Transactions is available on the website of the company at <https://digamberfinance.com/images/uploadimage/Related%20Party%20Transaction%20Policy.pdf> and also enclosed herewith as **Annexure: "G"**.

During the period under review, with reference to Para 2A of Schedule (V) of SEBI (LODR) Regulation, 2015 regarding the transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company is **NIL** except remuneration which is disclosed separately through annexure of this Board Report.

30. RISK MANAGEMENT

In the normal course, Micro-finance Institutions (MFIs) are exposed to various risks which includes credit risk, liquidity risk, Market risk, Concentration risk, interest rate risk and operational risk. The management of MFI have to enforce such corporate strategies which enables them to base their business decisions on a dynamic and integrated risk management system and process. To ensure proper management of risk, the Company has duly constituted a Risk Management Committee consisting of Two (2) Executive Directors along with 2 other members designated as Senior Management Personnel of the company.

The main objectives of the committee are as follows:

1. Total process of risk management which includes all the relevant risks involved in the business and operations of the company and review of internal control system;
2. The Committee is constituted to assist the Board in the discharge of its duties and responsibilities in this regard;
3. The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board of Directors.

Apart from above, the other responsibilities of the Risk Management Committee are covered under the 'Terms of Reference of Risk Management Committee' which are mentioned in the Corporate Governance Report annexed separately in this Board Report as **Annexure "E"**.

The Company has adopted Risk Management Policy which is also available on the website of the Company at <https://digamberfinance.com/images/uploadimage/Risk%20Management%20Policy.pdf>

31. DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies Act, 2013.

The Board of Directors of the Company hereby state and confirm:

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable Indian accounting standards had been followed along with proper explanations relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2023 and of the profit & loss of the company for that period;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts for the financial year ended 31st March, 2023 on a 'going concern' basis; and
- e) That the directors had laid down internal financial controls, which are adequate and are operating effectively;
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

32. PARTICULARS OF RBI COMPLIANCES

The Company is registered with RBI as a NBFC-MFI. The Company has complied with and continues to comply with all applicable Laws, Rules, Circulars, Regulations, etc. including Directions of RBI for NBFC-MFIs and it doesn't carry on any activities other than those specifically permitted by RBI for NBFC-MFIs.

33. PARTICULARS OF BSE (STOCK EXCHANGES)/SEBI (LODR) REGULATIONS, 2015 COMPLIANCES

250 11.50% Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the Company were listed on BSE Stock Exchange and the Company has complied with all the applicable Regulations as prescribed by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and any other circulars and notifications issued from time to time by SEBI and BSE.

On April 21, 2023, the 250 11.50% Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs only) were fully redeemed at par on maturity. The Company as a result of redemption of debentures, the Company has now become an unlisted entity.

34. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, highlighting the important aspects of the business are enclosed as Annexure: "H" and forms part of this Report.

35. FORMAL ANNUAL EVALUATION BY THE BOARD

The provisions of Section 134(3)(p) of Companies act, 2013 relating to formal annual evaluation by the Board of its own performance and that of its committees and individual directors is not applicable on the Company as the paid-up share capital of the company is below Rupees Twenty-Five Crores as specified in Rule 8 (4) of the Companies (Accounts) Rules, 2014.

36. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 and the Rules made thereunder, the Company has established Vigil Mechanism/Whistle Blower Policy. Policy inter alia, include the mechanism for:

- All Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy;
- Provides necessary safeguards and protection to the Directors/ employees who disclose the instances of unethical practices/behavior observed in the Company;
- The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases;
- Vigil Mechanism/Whistle Blower Policy is available on the website of the company at https://digamberfinance.com/images/uploadimage/Vigil%20Mechanism_Whistle%20Blower%20Policy.pdf

Details of the same are also stated in Corporate Governance Report enclosed as **Annexure "E"**.

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. During the Financial Year 2022-2023, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of Sexual Harassment complaints received and disposed of during the year 2022-2023:

No. of complaints pending at the beginning of the year	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending at the end of the year
NIL	NIL	NIL	NIL

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

38. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the period under review, neither any application was made nor any proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

39. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the period under review, no such event took place. Therefore, reporting under this point is not applicable on the Company.

40. PARTICULARS OF EMPLOYEES

A statement containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure "I"** to this report.

No employees of the company posted and working in a country outside India, not being directors or their relatives.

No employee has received remuneration in excess of the limits set out in Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during FY 2022-23 except Managing Director and CFO (WTD) details of which is given in annexure to this report.

41. COMPLIANCE OF SECRETARIAL STANDARDS ISSUED BY ICSI

The Company is regularly adhering with the Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and thereafter approved by the Central Government under section 118 (10) of Companies Act, 2013 esp. Secretarial Standard 1 & 2.

42. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

During the period under review, there are no shares in the demat suspense account or unclaimed suspense account.

43. CREDIT RATING

The Brickwork Ratings India Private Limited assigned the following ratings for the Company's BWR BBB+/ Stable for bank loan facilities and Non-Convertible Debentures.

However, SEBI vide its order dated October 06, 2022 cancelled the registration of Brickwork Ratings India Private Limited & passed an order of winding up within six months from the date of order.

Thereafter, the Company, vide Resolution by Circulation passed on February 24, 2023, appointed CRISIL Limited including any of its group companies, associates, subsidiaries or any of its affiliates, etc. as the Credit Rating Agency for rating for Bank Loan Facilities and Non-Convertible Debentures.

The Credit Rating of the Credit Facilities/Securities of the company as on 31st March, 2023 are listed below:

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2022-23	2021-22
Term Loan Rating	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Term Loan Rating	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	BBB /Stable	
Cash Credit & OD facility	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	A3+	
Non-Convertible Debentures	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Bank Facilities	Brickwork Ratings India Private Limited	Sept. 08, 2021	Sept. 08, 2022		BBB+
Bank Facilities	Brickwork Ratings India Private Limited	Feb. 28, 2022	Feb. 28, 2023		BBB+
Non-Convertible Debentures	Brickwork Ratings India Private Limited	Mar 02, 2022	Mar 02, 2023		BBB+

44. DISCLOSURE WITH RESPECT TO MAINTENANCE OF FUNCTIONAL WEBSITE AS PER REGULATION 62 OF SEBI (LODR) REGULATIONS, 2015

As the Non-Convertible Debentures of the Company were listed on BSE Stock Exchange during the period under review, pursuant to Regulation 62 of the SEBI (LODR) Regulations, 2015, the company has maintained functional website & access by the said web-link <https://www.digamberfinance.com> and the required disclosures can be seen through web-link <https://www.digamberfinance.com/disclosure.php>.

45. DETAILED REASONS OR REPORT FOR REVISION OF FINANCIAL STATEMENT IN THE RELEVANT FINANCIAL YEAR IN WHICH SUCH REVISION IS BEING MADE:

During the period under review, no such type of revision has been made in the financial statements of the Company. Thus, reporting under this clause is not applicable.

46. THE VOTING RIGHTS ARE NOT EXERCISED DIRECTLY BY THE EMPLOYEES IN RESPECT OF SHARES TO WHICH PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES RELATES, THE BOARD OF DIRECTORS SHALL, INTER ALIA, DISCLOSE IN THE BOARD'S REPORT FOR THE RELEVANT FINANCIAL YEAR:

As no such type of provision of money is made by the company, so this clause is not applicable for the period under review.

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2022-23	2021-22
Term Loan Rating	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Term Loan Rating	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	BBB /Stable	
Cash Credit & OD facility	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	A3+	
Non-Convertible Debentures	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Bank Facilities	Brickwork Ratings India Private Limited	Sept. 08, 2021	Sept. 08, 2022		BBB+
Bank Facilities	Brickwork Ratings India Private Limited	Feb. 28, 2022	Feb. 28, 2023		BBB+
Non-Convertible Debentures	Brickwork Ratings India Private Limited	Mar 02, 2022	Mar 02, 2023		BBB+

47. KEY INITIATIVES WITH RESPECT TO STAKEHOLDER RELATIONSHIP, CUSTOMER RELATIONSHIP, ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY

The Company finds its biggest endorsement in the satisfaction of its customers and the success and safety of its people. The Company has, over the years, built the reputation of an honest business house by upholding transparent practices. It continues to invest mind, time and funds to uplift lives of the people of community through meaningful interventions in critical areas such as education, health and hygiene and livelihood.

The Company implements programmes across the Indian landmass to provide hope to the underprivileged. The company believes in technology and have a vision of implementation of all robust technology for smooth operation and safeguarding the systems from any security breaches. One such initiative undertaken by the Company is that it is in the advance stage of implementing a system for processing and operating the loan through Loan App. Also, the Company has applied for AUA-KUA License from Unique Identification Authority of India (UIDAI) which shall make the procedure for KYC and granting of loans seamless and effective.

By taking AUA-KUA License from Unique Identification Authority of India (UIDAI), the Company shall reap the following benefits:

- Verification of the Correctness of data of the borrower
- Reduces the danger of identity fraud and other security breaches
- Boosts customer/employee trust, as identity verification and data are safe
- Simplifies and eases user journey as the verification happens in an instant

As a professionally governed company, the company believes in responsible and sustainable business practices. The vision of the company is to achieve sustainability in the business and to achieve the highest standard in all the elements of Environment, Social, and Governance (ESG) practices against global standards and make substantial efforts to create more value for our stakeholders. Henceforth, the Company is under the process of revamping its resources for its application towards adoption of Environment, Social and Governance Framework of the Company.

Furthermore, to ensure health & safety of its employees, the company has taken Accidental Insurance Policy.

48. DISQUALIFICATIONS OF DIRECTORS

None of the Directors of the Company are disqualified for holding directorship in the Company.

49. ISSUE OF DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES OR WARRANTS

During the period under review, the Company has not issued any such type of securities or warrants.

50. REDEMPTION OF SHARES/DEBENTURES

On April 21, 2023, the 250 11.50% Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs only) were fully redeemed at par on maturity.

51. INFORMATION TECHNOLOGY

The company believes in maximum utilization of the technology for hassle free process for the convenience of its customers with no compromise in the secrecy and confidentiality of sensitive information of the customers.

To achieve the above objective the company has already initiated technology solutions to support the Company's growth and enhance the efficiencies of its operations.

Further RBI has notified the Implementation of Core Financial Services Solution by Non-Banking Financial Companies (NBFCs) vide its circular dated February 23, 2022 ('CFSS Circular') akin to the Core Banking Solution (CBS) adopted by banks. As per the CFSS Circular, the Company is mandatorily required to implement CFSS on or before September 30, 2025.

The Company has already initiated the process for effective implementation of CFSS within the prescribed time limits.

52. HUMAN RESOURCES

The Company believes that its employees are its biggest assets. The workforce at the Company has a right blend of youth and experience and the success of organization is based on the capability, passion and integrity of its people. Your Company continues to attract and retain talent that focuses on sustained superior performance, provide them opportunities to learn, realise their true potential and contribute positively to the success of the Company.

53. ACKNOWLEDGEMENTS

Your directors take this opportunity to express their deep and sincere gratitude to the Members of the Company for their confidence and patronage, as well as to the Reserve Bank of India, Securities and Exchange Board of India, Registrar of the companies, Rating Agencies, Stock Exchange, Debenture Trustees, Depositories, Central and State Governments and its other applicable Regulatory Authorities for their cooperation, support and guidance. Your directors would like to express a profound sense of appreciation for the commitment shown by the employees in supporting the Company in its endeavor of becoming one of the leading microfinance institutions of the country.

For and on behalf of the Board of Directors of
Digamber Capfin Limited

-sd-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

-sd-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

Date: **29.08. 2023**
Place: **Jaipur**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023

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

To,
The Members,

M/s. Digamber Capfin Limited
J 54-55, Anand Moti,
Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s DIGAMBER CAPFIN LIMITED (CIN: U67120RJ1995PLC009862) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [not applicable]
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: [not applicable during audit period];
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) [not applicable during audit period];
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [applicable during audit period];
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [not applicable during audit period];
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [not applicable during audit period]

(vi) The following other laws as applicable to the Company:

- a. "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" and modification thereafter;
- b. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
- c. Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015"
- d. RBI Act, 1934 and modifications thereof;
- e. Income Tax Act, 1961.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations: **NIL**

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman director and nominee director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- The Company has maintained statutory registers as required under the Companies Act, 2013.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with proper time gap in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded (wherever applicable) as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act, where required and applicable.
- As informed by the management, there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding (Not applicable).
- I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- The company has complied with the listing agreement entered into with BSE Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

I further report during the audit period the company has undertaken specific actions regarding:

- Resignation of Mr. Nayan Ambali (DIN-03312980) as Independent Director of the Company has been accepted w.e.f. 26.05.2022
- Mr. Nayan Ambali (DIN-03312980) was appointed as an Additional director of the Company w.e.f 27.05.2022 and regularized as Non-Executive Director of the Company w.e.f. 30.09.2022.

- Mr. Shashank Vyas (DIN-09789867) appointed as Nominee director of the Company w.e.f. 14.11.2022.
- Resignation of Mr. Dharmendra Saxena (DIN- 08681004) as Nominee director of the Company has been accepted w.e.f. 14.11.2022
- Approval of revision in the remuneration of Mr. Amit Jain (DIN: 00416133) Whole Time Director of the company w.e.f. 25.06.2022
- Approval of revision in the remuneration of Mr. Rajiv Jain (DIN: 00416121) Managing Director of the company w.e.f. 25.06.2022

I further report that during the audit period, there were instances of:

- a. Approval of Digamber Capfin Limited Employees Stock Option Scheme-2022 (DCL ESOP 2022) in Extra-Ordinary General Meeting held on 25.06.2022
- b. To approve the External Commercial Borrowing (ECB) transaction of € 5,000,000 (Euros Five Million Only) From M/S HANSAINVEST FINANCE I GMBH & CO. GESCHLOSSENE INVESTMENTKOMMANDITGES ELLSCHAFT.

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-

RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

Place: JAIPUR
Date: 12.08.2023
UDIN: F005118E000794005

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

ANNEXURE- A

To,
The Members,

M/s. Digamber Capfin Limited

J 54-55, Anand Moti,
Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018

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

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

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-

**RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726**

Place: JAIPUR
Date: 12.08.2023
UDIN: F005118E000794005

ANNEXURE- B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2022-2023

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8(1) of the Companies
(Corporate Social Responsibility Policy) Rules, 2014]**

1. BRIEF OUTLINE ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") POLICY OF THE COMPANY

The Company has a Board adopted Corporate Social Responsibility ("CSR") Policy, in accordance with the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') and Schedule VII of the Act along with rules framed there under, approved by the Board of Directors in their meeting held on 15th day of March, 2019 and the same was amended & approved by the Board of Directors of company in their meeting held on 9th February, 2023.

Further it is prescribed by board to undertake CSR activities in cohesion with those enunciated in the schedule VII of the Companies Act, 2013 for the benefits of the localities of nearby area of the company mainly or in any other part of India as may be deemed fit by the Board or CSR committee of the company.

Following Activities can be undertaken by Company towards CSR Expenditure as follows:

- (i) Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care" and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT);

Annexure "B"

Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) Rural development projects;

(xi) Slum area development.

(xii) Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xiii) Disaster management, including relief, rehabilitation and reconstruction activities.;

(xiv) Any other activity enumerated in the Schedule VII of the Act from time to time.

The objective of our CSR policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

KEY HIGHLIGHTS OF THE CSR PROJECTS UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR 2022-2023

For the Financial year 2022-2023 the amount approved by the Board was Rs. 81.47 Lakhs for contributing towards CSR Activity. The company has undertaken its CSR responsibilities and spent Rs. 81.47 Lakh towards CSR expenditure as stated below:

Implementing Agency	Csr Registration Number Of Implementing Agency	Under Sector As Per Schedule Vii To The Act	Amount Contributed (Rs. In Lakhs)	Project Undertaken
Jan Jagrati Sevarth Sansthan (Society) situated at 01 Mittal Bhawan, UNT Wali Gali, Bharatpur Gate, Mathura-281001, Uttar Pradesh	CSR00006903	Schedule II (For promoting education)	Rs. 40.00	Project for development of an English Medium Co-Education School based on CCE – International Pattern located in the heart of The Rajasthan State, Dist. Bhilwara in the walking distance from National Highway
Shirpur Education Society (Trust) situated at R. C. Patel Main Building, Near BSNL Office, Shirpur, Dist - Dhule, Maharashtra, India, PIN - 425405	CSR00013815	Schedule II (For promoting education)	Rs. 25.00	For the development and establishment of the schools and colleges for promoting education through Shirpur Education Society (Trust) at Shirpur, Dist - Dhule, Maharashtra, India.
Shiva Trust Aurangabad, (Charitable Trust) situated at 3 rd Floor, Saniya Chamber, Near Seven Hills Over Bridge, Jalna Road, Aurangabad, Maharashtra-431001	CSR00012532	Schedule II (For promoting education)	Rs. 16.26	In the projects undertaken for promoting education by Shiva Trust Aurangabad, Charitable Trust at Aurangabad, Maharashtra, India.
Jain International Trade ORGANIZATION, Women Wing, Jaipur	NA	Schedule I (Promoting health care including preventive health care and sanitation of sanitation)	Rs. 0.21	For distribution of Sanitary pads through Jain International Trade Organisation, Jaipur for the Promotion of Sanitation and preventive health care.
Total Amount spent for FY 2022-2023			Rs. 81.47 Lakhs	

The Company believes that CSR is a way of creating shared value and contributing to welfare of society. Our endeavour is to reach out to different sections of the society, to improve and strives to create a positive impact on the society that benefit these in small ways to enhance the quality of their lives

2. COMPOSITION OF CSR COMMITTEE:

The CSR Committee was constituted by board of directors of the company by way of circular resolution approved on July 02, 2018.

The composition and attendance of the Committee members at the CSR Committee meeting held during the Financial Year 2022-23 are as follows:

Sl. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajiv Jain	Managing Director	2	2
2.	Mr. Amit Jain	Whole Time Director	2	2
3.	Mr. Lalit Kumar Jain	Independent Director	2	2
4.	Mr. Jatin Chhabra	Non-Executive Director	2	2

Mr. Nayan Ambali (Independent Director) of the company ceased to be the Member of the Committee w.e.f After Working hours of 26.05.2022

3. WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of CSR committee: <https://www.digamberfinance.com/csr.php>

CSR Policy: <https://www.digamberfinance.com/code.php>

CSR initiatives taken by the Company: <https://www.digamberfinance.com/csr.php>

4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

This clause is not applicable to the company as company's average CSR obligation is not exceeding Rs. 10 Crore (Ten Crore Rupees) or more in the three immediately preceding financial years.

- 5. (a) Average net profit of the company as per sub-section (5) of section 135:** Rs. 4073.03 Lakhs
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 81.47 Lakhs
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set off for the financial year, if any: Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 81.47 Lakhs

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

- (i) Amount of CSR amount spent against ongoing projects for the financial year: NIL
(ii) Amount of CSR amount spent against other than ongoing projects for the financial year: Rs. 81.47 Lakhs

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 81.47 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. In Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 81.47	NIL	-	NIL	NIL	-

Annexure "B"

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

Sl. No.	Particular	Amount (Rs. In Lakhs)
i.	Two percent of average net profit of the company as per sub section (5) of section 135	81.47
ii	Total amount spent for the Financial Year*	81.47
iii	Excess amount spent for the financial year [(ii)-(i)]	0
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
v	Amount available for set off in succeeding financial years[(iii)-(iv)]	0

6. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: NIL

1	2	3	4	5	6	7	8
Sl.No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs) Date of Transfer		
1	FY-1						
2	FY-2						
3	FY-3						

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If yes, enter the number of Capital assets created/ acquired

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the Property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount Spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

Annexure "B"

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

Not Applicable, since the company has spent its obligation amount.

For & on behalf of the Board of Directors of

Digamber Capfin Limited

Sd/-

Sd/-

Rajiv Jain

Chairman of the Committee
DIN No: 00416121

Lalit Kumar Jain

Independent Director
DIN No : 07517615

Place: **Jaipur**

Date: **29.08.2023**

ANNEXURE- C

DECLARATION BY INDEPENDENT DIRECTORS

[Pursuant to Section 149(7) of the Companies Act, 2013]

**To,
The Board of Directors**

Digamber Capfin Limited

J-54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

Subject: Declaration of Independence under sub-section (6) of section 149 of the Companies Act, 2013

Dear Sir,

I, Lalit Kumar Jain (DIN: 07517615), Son of Shri Hemant Kumar Jain, resident of 302, Pearl Ish Niwas, C-40 Tarun Marg, Tilak Nagar, Jawahar Nagar, Jaipur-302004, Rajasthan do hereby declare that I am not disqualified to act as an Independent Director of DIGAMBER CAPFIN LIMITED and further declares that: -

A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;

B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;

(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;

C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;

(ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of Fifty Lakh Rupees at any time during the two immediately preceding financial years or during the current financial year;

(iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for an amount of Fifty Lakh Rupees at any time during the two immediately preceding financial years or during the current financial year; or

(iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

ANNEXURE - C

(ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-

a. A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

b. Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or

(iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

F. I have possessed appropriate skills, experience and knowledge in the fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business;

G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

I hereby confirm that the information given above is true to the best of my knowledge and belief.

Sd/-

Lalit Kumar Jain
Independent Director
DIN No: 07517615

Place: **JAIPUR**
Date: **01.04.2023**

DECLARATION BY INDEPENDENT DIRECTORS

[Pursuant to Section 149(7) of the Companies Act, 2013]

**To,
The Board of Directors**

Digamber Capfin Limited

J-54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

Subject: Declaration of Independence under sub-section (6) of section 149 of the Companies Act, 2013

Dear Sir,

I, Dr. Amita Gill (DIN: 09066022) Daughter of Shri Ram Chandra Beniwal, resident of D-79, Pawan Path, Hanuman Nagar, Near Gurudwara, Vaishali Nagar, Jaipur- 302021 Rajasthan do hereby declare that I am not disqualified to act as an Independent Director of DIGAMBER CAPFIN LIMITED and further declares that: -

A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;

B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;

(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;

C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;

(ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of Fifty Lakh Rupees at any time during the two immediately preceding financial years or during the current financial year;

(iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for an amount of Fifty Lakh Rupees at any time during the two immediately preceding financial years or during the current financial year; or

(iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

(ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-

a. A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

d. Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

Annexure "C"

(iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or

(iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

F. I have possessed appropriate skills, experience and knowledge in the fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business;

G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

I hereby confirm that the information given above is true to the best of my knowledge and belief.

Sd/-

Dr. Amita Gill
Independent Director
DIN: 09066022

Place: **JAIPUR**
Date: **01.04.2023**

ANNEXURE- D

NOMINATION, REMUNERATION & COMPENSATION POLICY

1. PREFACE

In accordance to the provisions of Section 178 of the Companies Act, 2013 ("Act"), Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Directions") and Scale Based Regulation (SBR) read with 'Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs' issued by the Reserve Bank of India ("RBI Guidelines") as applicable and as amended from time to time

2. OBJECTIVE OF POLICY

As a philosophy, the Company believes that employees are important to an organization's success as they are the ones who are directly responsible for carrying out an organization's mission. The Company recognizes that while appropriate remuneration and compensation should be paid to attract and retain the right quality of talent, yet compensation should not become the single most over-riding criteria of relationship between the employee and the company. Accordingly, the company shall strive at all times to create an atmosphere of trust, empowerment and performance-based reward which will draw and retain right talent in the organization.

In accordance with the provisions of the Companies Act, 2013 and rules, Circulars, Directions, guidelines issued by RBI thereunder and other applicable laws and regulations, it is required to have a Board approved policy for the Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) , Senior Management Personnel (SMP) and other employees of Company. The compensation structure forms the part of this policy.

The Key Objectives of this policy would be as follows:

- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate captioned employees of the quality required to run the Company successfully.
- Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment and on a continuing basis.
- To formulate criteria for evaluation of performance of the members of the Board including Independent Directors and provide necessary report to the Board for further evaluation of the Board.
- To provide Key Managerial Personnel, SMP and other employees reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.
- To ensure that compensation packages are aligned effectively with prudent risk taking so that compensation is adjusted for all types of risks.
- To ensure the inclusion of fixed and variable pay structures and Malus/Clawback provisions.
- The NRC may work in close coordination with Risk Management Committee (RMC) of the company to achieve effective alignment between compensation and risks.

3. APPLICABILITY

The Provisions of this framework shall be applicable Digamber Capfin Ltd (the Company) started operations as an NBFC in 1995 with the mission of providing a range of financial services. The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its license from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September, 2013 vide registration No. RBI B-10.00099. As per Scale Based Regulation (SBR), A Revised Regulatory Framework for NBFCs dated October 22, 2021 and applicable provisions to the Company, the Company falls under the category of Middle Layer (hereinafter referred to as 'NBFC-ML').

4. DEFINITION

- a) **'Board'** means Board of Directors of the Company.
- b) **'Directors'** means the Directors of the Company.
- c) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the provisions of Applicable Law.
- d) **"Company"** means Digamber Capfin Limited
- e) **'Independent Director'** means a Director referred to in Section 149(6) of Act and rules made there under and applicable regulations/provisions and RBI guidelines and SEBI LODR Regulations as applicable to the extent.
- f) **'Key Managerial Personnel (KMP)' shall mean the officers of the Company as defined in Section 2(51) of the Companies Act: -**
 - The Chief Executive Officer (CEO) or the managing director or the manager;
 - The Company Secretary;
 - The Whole-Time Director;
 - The Chief Financial Officer (CFO); and
 - Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- g) **'Senior Management Personnel (SMP)'** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- h) **"Malus"** means an arrangement where the Company prevents the vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred.
- i) **"Clawback"** means a contractual agreement between the Employees and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances

5. CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE:

Subject to approval by the board, the Nomination & Remuneration Committee ("Committee") is responsible for formulating and making the necessary amendments to the Nomination & Remuneration Policy for the Directors, Key Managerial Persons (KMP), Senior Managerial Personnel (SMP) and other employees of the Company from time to time.

The Committee shall carry out such functions and responsibilities as may be approved by the Board in the Terms of Reference of the Nomination and Remuneration Committee.

6. APPOINTMENT CRITERIA AND QUALIFICATIONS

A) DIRECTORS:

- The Company will undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board of directors of the Company, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.

Annexure “D”

- The Company will obtain the necessary information, declarations and undertakings from the proposed / existing director for the purpose of such due diligence in the format as prescribed in the RBI guidelines and as per Companies Act 2013
- The Committee shall ensure that such person should possess adequate qualification, expertise and experience for the position for which he / she is being considered for appointment.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- The Company will undertake the process of due diligence at the time of appointment of the director by scrutinizing the declarations received and at the time of renewal of appointment of any director.
- The Company shall not appoint or continue the employment of Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years
- The re-appointment / extension of term of the Director shall be on the basis of their performance evaluation report.

B) INDEPENDENT DIRECTORS

- The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such director as per the provisions of the Act read with Rules thereon and RBI Guidelines. Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his/her independence at issue.
- The Independent Director who intends to get appointed as an independent director in a company, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time applies for its renewal till he continues to hold the office of an independent director in any company.
- The independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the Company shall ensure that there is no conflict arising out of their Independent Directors being on the Board of another NBFC at the same time.

C) KMP AND SENIOR MANAGEMENT

- Except for directorship in a subsidiary, KMPs shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.
- Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP's/SMP's and recommend the same to the Board/ Committee his / her appointment along with the remuneration, in whatever form as may be payable.
- Ensure that such person should possess adequate qualification, expertise and experience for the position for which he / she is being considered for appointment.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

7. TERM / TENURE

A) CHAIRMAN/MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

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

B) INDEPENDENT DIRECTOR:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company, recommendation of committee based on the report of performance evaluation of Independent Director and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of two consecutive terms of three years of ceasing to become an Independent Director. An Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

8. EVALUATION

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance pursuant to the provisions of Companies Act and RBI guidelines and any other regulations as applicable to the company

The Committee shall carry out evaluation of performance of the Board, Committee and Individuals of it at regular interval (yearly).

Evaluation of all the SMPs and KMPs (other than Board members) shall be carried out in accordance with the Key Performance Indicators defined and agreed to in this regard, in the manner as deemed fit by the Board/ Committee.

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

9. REMOVAL

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

10. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. REMUNERATION & COMPENSATION STRUCTURE:**A) REMUNERATION TO NON-EXECUTIVE /INDEPENDENT DIRECTOR:**

The remuneration/ compensation/ commission etc. will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company

▪ Remuneration/ Commission

The remuneration to Non –Executive Directors to be paid shall be in accordance with the percentage/ limits/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 ("the Act") Master Directions and RBI guidelines, and the rules made there under for the time being in force.

▪ Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time subject to the limits as prescribed under the Companies Act, 2013.

In case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution

▪ Commission

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

▪ Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

▪ Other Benefits

Non-Executive Directors including Independent Directors are reimbursed travel (excluding foreign travel) and other out of pocket expenses incurred by them for participation in the Boards/Shareholders and committee meetings of the Company, if any.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration, and following conditions shall be satisfied:

- i. The Services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

▪ Familiarization program for independent directors

The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs

B) REMUNERATION TO EXECUTIVE DIRECTORS

▪ The remuneration/ compensation/ commission

The remuneration/ compensation/ commission etc. to the Chairman/ Managing Director/other Whole-time Director/ CEO will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company

The Chairman/ Managing Director/other Whole-time Director/ CEO shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, the rules made there under, Master Directions and RBI guidelines for the time being in force.

▪ Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Chairman/Managing Director/Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

▪ Provisions for excess remuneration

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders and in accordance with the provisions of Section 197 and Schedule V of the Act, Master Directions and RBI guidelines, and the rules made there under for the time being in force.

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

C) COMPENSATION STRUCTURE

Remuneration to KMP, Senior Management and other Employees:

The compensation of KMP, Senior Management and other Employees needs to be reasonable, recognizing all relevant factors including adherence to statutory requirements and industry practices. The compensation packages shall comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

A formal annual performance evaluation process is applicable to all employees, including Key Executives. Increase in the remuneration of employees is affected based on an annual review taking into account performance of the employee and the performance of the Company also.

The compensation of KMP, Senior Management and other Employees is made in accordance with the HR Policy adopted by the Company

The compensation structure shall broadly comprise of the following components:

Fixed Pay

The Committee will ensure that the fixed portion of compensation is reasonable, taking into account all the relevant factors including the industry practice. The Fixed Pay of the Company would typically consist of elements like basic salary, contributions, other allowances and retinals. Other allowances include house rent allowance, conveyance allowance, car maintenance and fuel expenses, domiciliary medical allowance, leave travel allowance, supplementary allowance, meal allowance, etc (for applicable employees) or any other allowance(s) introduced from time to time as may be defined in the Human Resources policy and as may be approved by the Board.

All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements as may be defined in the Human Resources policy and as may be approved by the Board. The quantum of fixed pay based on the above considerations will be decided by the management and reviewed by the Nomination and Remuneration Committee and the Board.

Further, The company provides following Defined Contribution and Defined Benefit Plans :

- a. Provident Fund – Statutory, Defined Contribution Plan
- b. Gratuity – Statutory, Defined Benefit Plan
- c. Any other additional benefit as approved by the Committee of the Board.

Variable Pay

The variable pay budget is determined based on the Company's capacity to pay. The extent of variable pay for individual employees is linked to individual performance for sales frontline employees and to individual and Company's performance for non-sales frontline employees and employees in the management cadre. Hence, variable pay serves as an effective instrument for managing employee costs in line with business cycles whilst simultaneously reinforcing a meritocratic performance culture.

Variable pay for sales and non-sales frontline employees and employees in the management cadre are given in the form of PLR (Performance Linked Reward). The performance rating assigned is based on assessment of performance delivered by the employees as per standards as approved by committee/ Board. The variable pay is differs from individual to individual in cap of 5% to 30%

Further, the variable pay for sales frontline employees is also given in the form of sales incentives. Sales incentive payouts are based on individual performance targets as may be defined from time to time and affordability considerations.

The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other

objectives set by the Board/Company. The amount payable shall be based on performance against pre-determined financial and non-financial metrics. Such metrics and their relation to remuneration packages shall be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

Here front line Employee means Employees in Business Operations for designation Regional Manager & above role and Employees in Strategy operations for designation Manager and Above Role

Long-term pay:

At higher levels of responsibility, the proportion of variable pay shall be higher. The variable pay shall be truly and effectively variable and may be reduced to zero based on performance at an individual, business-unit and company-wide level.

The Company's long-term pay schemes are designed to encourage institution building among employees. Long-term pay may be administered either through the Company's employee stock option scheme or long-term reward scheme of the Company.

Stock options may also be granted to new employees at the time of their joining on a case-to-case basis with a view to attract high potential talent based on factors such as potential and skills. The final decision on the same will be of the committee or the Board of the Company.

Therefore, set by reference to local market practice in India and are in alignment with the Company's strategy which would be individually determined based on criticality of the function, capabilities of the individual concerned and overall compensation of such persons in similar peer organizations

12. COMPENSATION OF CONTROL & ASSURANCE FUNCTION PERSONNEL:

The KMPs and senior management engaged in financial control, risk management, compliance and internal audit shall be compensated in a manner that commensurate with their key role in the company and the role they play in the business of the Company. Accordingly, such personnel shall have higher proportion of fixed compensation. However, a reasonable proportion of compensation shall be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

Where any insurance is taken by the Company or its Holding Company on behalf of the Company's Managerial Person, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

13. GUARANTEED BONUS:

Guaranteed bonus may be paid to KMPs and senior management. Also in the context of new hiring /joining/sign-on bonus can be considered under Annual CTC. Such bonus will neither be considered part of fixed pay nor of variable pay. The final decision on the same will be of the committee.

14. ALIGNMENT OF REMUNERATION:

The Committee strives to ensure that the remunerations of the Directors, Senior Executives, Middle and lower-level employees of the company are reasonably aligned and the difference between the highest and lowest paid employees in the company are kept at reasonable multiples. Such reasonable multiples would be determined from time to time based on industry trends and developments around the world on fair compensation practices.

15. POST-RETIREMENT BENEFITS:

All the employees are entitled for retirement benefits such as provident fund and gratuity as per applicable law.

16. MALUS CLAUSE/ CLAWBACK:

Malus & Clawback provisions shall be applicable which would enable the Committee to reduce or cancel unvested awards and recover previously paid compensation

The component of compensation which can either be ESOPs or cash rewards will be subject to malus/clawback arrangements in the event of:

- Subdued or negative financial performance of the Company, as determined by the Committee

- Material restatement of the Company's financials or any other materially inaccurate performance metrics.
- Material losses for the Company due to reckless / negligent or willful risk taking or other inappropriate action or behaviour by the relevant employee; and
- Misconduct or fraud committed by the relevant employee.
- Reputational harm
- Such other conditions or events, of similar nature as above, as determined by NRC for triggering review by NRC for the purpose of application of the Malus or the Clawback arrangement
- Exercise his/her responsibilities in a mala fide manner.
- Unfairly obstruct the functioning of the Company which may affect the material decision.
- Non-disclosure in case of conflict of interest
- Breach of Contract / violation of non-disclosure agreement
- Misconduct in Non adherence to Systems and procedures including internal guidelines / policies

17. FIT AND PROPER CRITERIA

The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director of the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'. Further, the Company has adopted the separate policy on Fit and Proper criteria as prescribed under RBI Guidelines which is to be adhered at the time of appointment and/or reappointment.

The Committee shall undertake such Due Diligence exercise at the time of appointment of the Directorships of the incumbent.

18. REVIEW:

The Board of Directors on yearly basis shall review this policy and can amend this Policy as and when deemed fit from time to time.

19. CONTENT ON THE WEBSITE:

Appropriate disclosure regarding this Policy shall be made on the Company website at <https://www.digamberfinance.com/code.php>

The information published in the website should be updated whenever there is a change in the policy.

20. AMENDMENT:

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

21. POLICY REPEALABLE:

This policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be repeal able from the rest of this policy and shall be of no force and effect, and this Criteria shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.

ANNEXURE- E

CORPORATE GOVERNANCE REPORT

"We cannot be mere consumers of good governance; we must be participants; we must be co-creators."

- Rohini Nilekani

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Digamber Capfin Limited ("the Company") is a Public Limited company incorporated under the provisions of The Companies Act, 1956 on April 17, 1995. It is categorized as a Non-Banking Financial Company (NBFC)-Microfinance Institution (MFI) (and a Non Deposit Taking Systematically Important NBFC) bearing registration No. B-10.00099 dated September 06, 2013 registered with Reserve Bank of India.

The Company pertains to system of blending law, regulations and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole. It purports that the needs and outcomes of all stakeholders – including employees, customers, supply chain partners, and members of the communities in which an organization operates, not just shareholders, should be considered in all strategic and operational decisions. The Company prioritizes the adoption of best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.

The Company has followed all the mandatory requirement of Corporate Governance complying with the requirements of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable, Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015, Master Direction - Non-Banking Financial Company – Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 , Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 and applicable provisions to the Company. The Company falls under the category of Middle Layer (hereinafter referred to as 'NBFC-ML').

The Company, as a whole, make successful attempts, on daily basis, to ensure application of good governance practices through its policies, codes of conduct and Standard Operating Procedures which is mandated and regularly reviewed by the Board or the committees of the members of the Board. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall stakeholder's value, over sustained period of time.

2. COMPOSITION OF BOARD OF DIRECTORS

The Company has a bouquet of high-powered and experienced leaders who comprises the Board of the Company. The Board of Directors ("The Board") of the Company comprises of persons of immense expertise and skills and rich experience across a wide spectrum of functional areas such as Banking and Finance, Technology, Healthcare & Rural Development, and Legal & Risk Management. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Company encourages Board diversity and balance of skills at the same time, to ensure effective address to complex corporate issues and decision making.

As per the delegation given by the Board to the Nomination and Remuneration Committee (NRC) of the Company, the NRC screens and selects the suitable candidates, based on the defined criteria and makes recommendations to the Board on the induction of new directors. The Board appoints the director, subject to the shareholders' approval as may be applicable.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Board of DCL ensures that no Director of the company shall be:

- In the list of willful defaulters as published by the Credit Information Bureau (India) Limited pursuant to the directions of the Reserve Bank of India from time to time; and
- Disqualified to discharge his duties as a director with respect of any Applicable Law.
- Fulfill the Fit & Proper Criteria as defined by the Reserve Bank of India (reviewed the same on annual basis).

In the event if any Director appears on the list of willful defaulters or does not full fill the Fit & Proper Criteria, the Company shall take necessary corrective action, including, if necessary, replacement of such Director, within 30 (thirty) Days of receipt of such notice.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("the Act"). The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Independent Directors do not have any pecuniary relationship or transactions with the Company, Promoters and Management, which may affect independence or judgment of the Directors in any manner.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Director (ID) in more than seven listed entities; and
- who are the Executive Director(s) serves as IDs in more than three listed entities.

(a) Composition & category of the Board of Directors

As per the provisions of the Companies Act, 2013 and under the powers confirmed under Article of Association of the Company, the Board of the Company will have at all times a minimum of 3 (three) Directors and the maximum number of Directors shall not be exceeding at any time beyond such limit as prescribed in the Companies Act, 2013.

During the year under review, the Board of the Company had a prime combination of Directors with exceptional knowledge, skills and experience in various fields relating to the business activities of the Company.

The Board comprised of Seven (07) Directors shown as under: -

Category	No. of Directors	% to the total number of Directors
Executive Director	02	29%
Non-Executive, Independent and Nominee Directors	05	71%

Mr. Rajiv Jain is the Chairman of the Company.

The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013, and also in terms of Guidelines as issued by the Reserve Bank of India.

Description of the Directors comprising the Board are listed below:

S. No.	Name of the Director	Category	Position on the Board as on 31 st March 2023
1	Mr. Rajiv Jain	Promoter & Executive Director	Chairman & Managing Director
2	Mr. Amit Jain	Promoter & Executive Director	Whole Time Director & CFO
3	Mr. Lalit Kumar Jain	Non-Executive Director	Independent Director
4	Dr. Amita Gill	Non-Executive Director	Independent Director
5	Mr. Nayan Ambali	Non-Executive Director	Non-Executive Director
6	Mr. Jatin Chhabra	Non-Executive Director	Non- Executive Director
7	Mr. Shashank Vyas	Non-Executive & Non-Independent Director	Nominee Director representing SIDBI

(b) Change of composition of Board of Directors:

The Board periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company

• For Previous Financial Year: 2022-2023

S. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment and regularization)	Effective date
1	Mr. Nayan Ambali	Independent Director	Resignation	Closing Hours of 26.05.2022
2	Mr. Nayan Ambali	Additional Non-Executive Director	Appointment	27.05.2022
3.	Mr. Nayan Ambali	Non-Executive Director	Regularization	30.09.2022
3	Mr. Dharmendra Saxena	Non-Executive & Non-Independent Director	Cessation due to Nomination withdrawn by appointing authority	14.11.2022
4	Mr. Shashank Vyas	Nominee Director-SIDBI, Non-Executive & Non-Independent Director	Appointment	14.11.2022

Notes:

1. Mr. Nayan Ambali resigned from the post of Independent Director w.e.f. the closure of business hours of May 26, 2022 due to removal of his name from the Independent Director's Databank. The resignation was approved by the Board of Directors of the Company in the meeting held on May 26, 2022 on the basis of recommendation of Nomination and Remuneration Committee.
2. Based on the Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company on the basis of his vast experience & knowledge relating to the affairs of the company, Mr. Nayan Ambali was appointed as an Additional Non-Executive Director of the Company w.e.f. May 27, 2022. He was regularized as Non-Executive Director in the 27th Annual General Meeting held on September 30, 2022.
3. The company has duly repaid the Optionally Convertible Preference shares against which Nominee Director Mr. Dharmendra Saxena was appointed hence he ceased to be a director w.e.f. November 14, 2022. Based on the Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, Mr. Shashank Vyas was appointed as a Non-Executive & Non-Independent Nominee Director with effect from November 14, 2022 on the basis of proposal received from Small Industries Development Bank of India ("SIDBI").

For Current Year: 2023-2024:

There is no change in the Board of Directors from March 31, 2023 till the date of signing of this report

(c) Number of meetings of the board of directors held During the year under review

The Board Meetings are convened by giving notice as well as information in the form of detailed agenda notes in advance in a timely manner, to enable them to deliberate on each agenda item and make an informed decision. While conducting the meeting, the Board has duly complied with the Secretarial Standards-I & II duly issued by the Institute of Company Secretaries of India (ICSI), provisions of the Companies Act, 2013, SEBI Regulations to the extent applicable and RBI guidelines. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional meetings are held to address specific needs and business requirements of the Company. In case of business exigencies, the Board approvals are taken either by passing resolutions through circulation or convening meetings at shorter notice, as permitted by the law.

(d) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting

S. No.	Name of Director	Director Since	Capacity (i.e. Executive/Non-Executive/Chairman/Promoter nominee/Independent)	DIN	Number of Board Meetings		Annual General Meeting (AGM) held on 30/09/2022	No. of other Directors in Public Companies in the Board	No. of membership of committee in Public Limited Companies	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended				Salary and other compensation (Rs. In lakhs)	Sitting Fee	Commission	
1.	Mr. Rajiv Jain	17/04/1995	Promoter & Executive Director	00416121	7	7	✓	NIL	NIL	240.00	-	100.00	2,555,927
2.	Mr. Amit Jain	17/04/1995	Promoter & Executive Director	00416133	7	6	✓	NIL	NIL	240.00	-	100.00	2,346,981
3.	Mr. Lalit Kumar Jain	30/09/2016	Non-Executive Director & Independent Director	07517615	7	5	✓	NIL	NIL	-	1.05	-	-
4.	Mr. Nayan Ambali	28/08/2018	Non-Executive Director	03312980	7	5	✗	NIL	NIL	-	0.77	-	-
5.	Mr. Jatin Chhabra	21/01/2019	Non-Executive Director	08271333	7	6	✓	NIL	NIL	-	0.98	-	103,300
6.	Dr. Amita Gill	12/02/2021	Non-Executive Director & Independent Director (Woman Director)	09066022	7	5	✓	NIL	NIL	-	0.77	-	-
7.	Mr. Shashank Vyas	14/11/2022	Nominee Director-SIDBI, Non-Executive & Non-Independent Director	09789867	3	1	N.A.	NIL	NIL	-	0.07	-	-

Notes:

1. The limit of the committees on which a director may serve in all public limited companies, whether listed or not, is be included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 is excluded.
2. For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone is considered.
3. None of the Directors of the Company hold directorship in any Listed Company.

(e) Number of meetings of the board of directors held During the year under review

During the Financial Year 2022-23, the Board of Directors met Seven (07) times. The details of the meetings of Board of Directors are mentioned below:

S. No.	Date of Meeting	Name of Members/ Directors							
		Mr. Rajiv Jain (Chairman & Managing Director)	Mr. Amit Jain (Whole-time Director & CFO)	Mr. Lalit Kumar Jain (Independent Director)	Dr. Amita Gill (Independent Director)	Mr. Nayan Ambali (Non-Executive Director)	Mr. Jatin Chhabra (Non-Executive Director)	*Mr. Shashank Vyas (Nominee Director)	*Mr. Dharmendra Saxena (Nominee Director)
1.	26/05/2022				L			N.A.	
2.	08/08/2022			L				N.A.	
3.	06/09/2022							N.A.	
4.	11/11/2022			L				N.A.	L
5.	09/02/2023								N.A.
6.	02/03/2023		L		L	L		L	N.A.
7.	30/03/2023					L	L	L	N.A.
Held during the tenure		7	7	7	7	7	7	3	4
Meetings attended		7	6	5	5	5	6	1	3
- Physically Present - Attended through Video Conferencing L - Leave of Absence N.A.- Not Applicable									

*Mr. Shashank Vyas was appointed as a Non-Executive & Non-Independent Nominee Director with effect from November 14, 2022 on the basis of proposal received from Small Industries Development Bank of India ("SIDBI"), due to withdrawal of nomination of Mr. Dharmendra Saxena by SIDBI.

(f) Disclosure of relationships between directors inter-se

- a) Mr. Rajiv Jain- Brother of Mr. Amit Jain
- b) Mr. Amit Jain- Brother of Mr. Rajiv Jain

Apart from the above, no other directors are related with each other.

(g) Number of shares and convertible instruments held by Non- Executive Directors as on March 31, 2023

Mr. Jatin Chhabra, Non- Executive Director of the Company holds 1,03,300 equity shares (1.05% of total paid-up share capital) of the Company as on March 31, 2023.

(h) Familiarization for Independent Directors

The Independent Directors are familiarized about nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarization programme for the Independent Directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company at <https://www.digamberfinance.com/corporate.php>

(i) Skills/expertise/competence of the Board of Directors

The Board possess requisite qualification, competence, experience and provides strategic guidance and independent view to the Company's management while actively participating in the meeting and discharging their fiduciary responsibilities and thereby ensuring that the management adheres to high standards of ethics, transparency. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

AREA OF EXPERTISE	SPECIFICATION
Banking and Finance	Knowledge of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions
Technology	It involves leadership support, organizational structure and processes to ensure that the NBFC's IT sustains and extends business strategies and objectives. Significant knowledge about IT Governance, Information technology, Information Security, Cyber Security, IT Enabled Management Information System, Business Continuity Planning (BCP) and Disaster Recovery, IT Services Outsourcing and Science & Technology resulting in knowledge of how to anticipate in assessing and managing risks and implementing policies, procedures and strategies
Legal and Risk Management	Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.

Name of Directors	Area of Expertise
Mr. Rajiv Jain	Banking and Finance, Technology and Legal and Risk Management
Mr. Amit Jain	Banking and Finance, Technology and Legal and Risk Management
Mr. Lalit Kumar Jain	Banking and Finance and Legal
Mr. Nayan Ambali	Finance and Technology
Mr. Jatin Chhabra	Finance and Rural Development
Dr. Amita Gill	Technology
Mr. Shashank Vyas	Banking & Finance

In the table below, the specific areas of focus or expertise of individual Board Members as on March 31, 2023 have been highlighted. However, the above is only an indicative list and the Board members are possessing other expertise and skills as well.

(j) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such statutory authority.

(k) Confirmation regarding Independence of Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013 read with the rules framed thereunder. Based on the disclosures received from all the Independent Directors, the Board concluded that the Independent Directors, fulfils the conditions of independence specified in the Companies Act, 2013 and are independent of the Management of the Company. Declaration received from independent directors is given as **Annexure "C"**.

Further, the Independent Directors declared that they are not appointed as an Independent Director on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) pursuant to guidelines of Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India on October 22, 2021.

(l) Detailed reasons for the resignation of an Independent Director

During the year under review, Mr. Nayan Ambali (DIN: 03312980) has resigned from the post of Independent Director with effect from the closure of business hours of 26th May, 2022.

The resignation from the post of Independent Director has been caused due to removal of his name from the Independent Director's Databank and apart from this there are no other reasons for such resignation.

(m) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Companies Act, 2013 during the year under review, one separate Meeting of the Independent Directors was held on February 09, 2023 to discuss:

- Evaluate the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of executive and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

(n) Performance Evaluation criteria for Independent Directors

The performance evaluation of Independent Directors was carried out as per the policies of the Company. The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them. The Directors expressed their satisfaction on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

3. REMUNERATION OF DIRECTORS

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Group's strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum

(a) Remuneration of the Non-Executive Directors & Independent Directors:

None of the Non-Executive Directors of the Company are drawing/ taking any salary, benefit, bonuses, stock options & pension from the Company. The Company pays only sitting fee for attending the Board or Committee meetings and there is no fixed component and performance linked incentives involved therein, also Company has not signed any service contracts, notice period or severance fees contract with any of the Non-Executive Directors and independent directors.

There are no other pecuniary relationships or transactions by Non-Executive Directors, Independent Directors, Nominee Director with the Company.

(b) Remuneration of the Executive Directors:

There are two Executive Directors in the company. The Company is paying remuneration to both the Directors subject to the compliance of provisions of Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V of the said act and rules prescribed for this purpose and same is revised subject to the approval of shareholders in its meeting and as per recommendation of Nomination & Remuneration committee in compliance of the Companies Act, 2013 along with its rules and guidelines provided by Reserve bank of India for this purpose.

(c) Stock options granted:

During the Financial Year, the Company has not granted Stock Options under Employees Stock Option Plan to any of its directors

Annexure "E"

(d) Details of the remuneration paid to the Directors for the Financial Year ended on March 31, 2023 is as follows:

(Amount in Rs.)

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat Equity	Other (Sitting Fee)	Total Amount
Executive Directors							
1.	Mr. Rajiv Jain	Chairman cum Managing Director	240.00	100.00	-	-	340.00
2.	Mr. Amit Jain	Whole Time Director & CFO	240.00	100.00	-	-	340.00
Non – Executive Directors							
3.	Mr. Nayan Ambali	Non-Executive Director	-	-	-	0.77	0.77
4.	Mr. Jatin Chhabra	Non- Executive Director	-	-	-	0.98	0.98
5.	Mr. Shashank Vyas	Nominee Director -SIDBI	-	-	-	0.07	0.07
Non – Executive and Independent Directors							
6.	Mr. Lalit Kumar Jain	Independent Director	-	-	-	1.05	1.05
7.	Dr. Amita Gill	Independent Director	-	-	-	0.77	0.77

The Company was having separate policy in accordance with the provisions of the Companies Act, 2013 and other applicable laws and regulations named "Nomination & Remuneration Policy" recommended by nomination & remuneration committee, approved by the board dated the 15th day of July, 2017. However, the company was required to amend its existing nomination and remuneration policy as per the RBI Scale Based Regulation (SBR) Dated October 22,2021 and Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022 by way of adding the portion for compensation policy.

Henceforth, on the recommendation of nomination & remuneration committee, in the Meeting held on August 29, 2023 the Board has amended the existing Nomination and Remuneration Policy and rename the Policy to **'NOMINATION, REMUNERATION AND COMPENSATION POLICY'** of the Company.

The **'NOMINATION, REMUNERATION AND COMPENSATION POLICY'** of the company is mentioned in Annexure "D"

Further this policy is available on website of company at <https://www.digamberfinance.com/code.php>

4. COMPOSITION OF COMMITTEES OF BOARD OF DIRECTORS (BOARD)

The Board has constituted various committees to delegate particular matters that require greater and more focused attention in the affairs of the Company. All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference for committee members is taken by the Board. There are certain roles and responsibilities delegated to the committees by the Board referred in the name and style of "Terms of Reference".

The role and composition of these committees, including the number of meetings held during the financial year and the related attendance, Brief of all committees is as follows:

Statutory Committees
Audit Committee
Nomination & Remuneration Committee
Risk Management Committee
Corporate Social Responsibility Committee
Asset Liability Management (ALCO) Committee
Ombudsman Committee
IT Strategy Committee
IT Steering Committee
Internal Complaints Committee

Non-Statutory Committees

Executive Committee

Credit Committee

Staff Appraisal Committee

Incentive Distribution Committee

Investigation Committee

Project Advisory Committee (PAC)

STATUTORY COMMITTEES**a) AUDIT COMMITTEE**

"Qualified and Independent Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit"

The Audit committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The Terms of Reference of the Audit Committee covers all matters specified in Section 177 of the Companies Act, 2013. The Terms of Reference broadly include review of Internal Audit Reports and Action Taken Reports, assessment of the efficiency of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company.

The Audit Committee reviews the compliance with legal and statutory requirements, the Quarterly, Half Yearly and Annual Financial Statements and related party transactions and reports its findings to the Board.

The Committee also recommends the appointment of Internal Auditor and Statutory Auditor.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Lalit Kumar Jain - (Independent Director)	Chairman of the Committee
2.	*Mr. Nayan Ambali- (Non-Executive Director)	Member
3.	Dr. Amita Gill - (Independent Director)	Member

2. Change in Composition:

Dr. Amita Gill (Independent Director) has been appointed as member of the Committee w.e.f. July 05, 2022 and Mr. Jatin Chhabra ceased to be member vide Circular Resolution (01/2022-23) passed by the Board of Directors of the Company on July 05, 2022 to meet the committee composition requirement as per the Companies Act, 2013.

*Mr. Nayan Ambali (Independent Director) of the Company ceased to be a Member of Committee w.e.f. from the end of business hours of May 26, 2022 as due to some technical grounds he ceased to be an independent director and appointed as non-executive director of the company. Considering vast experience and expertise on technology, Mr. Nayan Ambali (Non-Executive Director) was appointed as member of the Committee w.e.f. May 27, 2022.

3. Terms of Reference:

The Committee is responsible for the recommendation for appointment, remuneration and terms of appointment of and removal of statutory, internal and secretarial auditors, of the company. Along with this, the Committee reviews with the the management Financial statements and auditor's report thereon before submission to the board for approval and is also responsible for reviewing and monitoring the auditor's independence and performance, and the effectiveness of the audit process. The Committee also oversees the vigil mechanism of the company and ensuring its effective implementation & functioning.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors			
		Mr. Lalit Kumar Jain (Chairman)	Mr. Nayan Ambali (Member)	Dr. Amita Gill (Member)	*Mr. Jatin Chhabra (Member)
1.	26/05/2022			*N.A.	
2.	08/08/2022	L			*N.A.
3.	11/11/2022	L			*N.A.
4.	09/02/2023				*N.A.
Held during the tenure		4	4	3	1
Meetings attended		2	4	3	1
 - Physically Present		L- Leave of Absence			
 - Attended through Video Conferencing		N.A.- Not Applicable			

*Dr. Amita Gill (Independent Director) has been appointed as member of the Committee w.e.f. July 05, 2022 and Mr. Jatin Chhabra ceased to be member w.e.f. vide Circular Resolution (01/2022-23) passed by the Board of Directors of the Company on July 05, 2022

b) NOMINATION AND REMUNERATION COMMITTEE

This Committee covers all matters specified in Section 178 of the Companies Act, 2013 regarding the formation of criteria for determining qualifications, positive attributes and independence of a director to ensure 'Fit and Proper' status of proposed/existing Directors & Senior Management. The Committee ensures evaluations of Director's performance and recommends to the Board appointment/removal based on his/her performance and other matters related to remuneration for Directors, Key Managerial Personnel and Senior Management and Executive Directors etc.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Lalit Kumar Jain- (Independent Director)	Chairman of the Committee
2.	Dr. Amita Gill- (Independent Director)	Member
3.	Mr. Jatin Chhabra- (Non-Executive Director)	Member
4.	Mr. Rajiv Jain- (Managing Director)	Member

2. Change in Composition:

Mr. Nayan Ambali resigned as the Independent Director w.e.f. the closing hours of 26th May, 2022.

The Board of Directors has approved the present constitution of the Committee through Circular Resolution (01/2022-23) passed on July 05, 2022.

3. Terms of Reference:

The Committee formulates the criterion for determining qualifications, positive attributes and independence of a Director. It is responsible for ensuring 'fit and proper' status of proposed/existing Directors. The Committee carries out the evaluations of Director's performance and recommend to the Board appointment/removal based on his/her performance. The Committee makes recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the company subject to the provision of the law and their service contract.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors				
		Mr. Lalit Kumar Jain (Chairman)	*Mr. Nayan Ambali (Member)	Dr. Amita Gill(Member)	Mr. Jatin Chhabra (Member)	Mr. Rajiv Jain (Member)
1.	26/05/2022			N.A.		
2.	06/09/2022		N.A.			
3.	11/11/2022	L	N.A.			
Held during the tenure		3	1	2	3	3
Meetings attended		2	1	2	3	3
- Physically Present - Attended through Video Conferencing						
L- Leave of Absence N.A.- Not Applicable						

*Mr. Nayan Ambali resigned as the Independent Director w.e.f. the closing hours of 26th May, 2022. The Board of Directors has approved the present constitution of the Committee through Circular Resolution (01/2022-23) passed on July 05, 2022.

c) RISK MANAGEMENT COMMITTEE

In the normal course, Micro Finance Institution ("MFI") are exposed to face various risks. The managements of MFI have to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. MFIs are exposed to several major risks in the course of their business viz –reputational risk, credit risk, interest rate risk, liquidity risk and operational risk. It is, therefore, important that MFIs introduce effective risk management systems that address the issues relating above risks.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain- (Whole Time Director)	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice- President)	Member
4.	Mr. Lalit Kumar Jain (Independent Director)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee. Mr. Lalit Kumar Jain, Independent Director of the Company became member of this Committee in the Board Meeting held on August 29, 2023.

3. Terms of Reference:

The Committee is primarily responsible for assisting the Board in execution of its risk management accountabilities. The Committee assists the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting. The Committee is also responsible for formulating a detailed Risk Management Policy.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors			
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Mr. Dharmendra Kumar Jangid (Member)
1.	01/07/2022				
2.	06/10/2022				
3.	06/01/2023				
4.	10/03/2023				
Held during the tenure		4	4	4	4
Meetings attended		4	4	4	4
- Physically Present - Attended through Video Conferencing					
L- Leave of Absence N.A.- Not Applicable					

d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") has been constituted as per the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 (including any amendment thereto or re-enactment thereof). The Committee has been constituted to formulate and recommend to the Board of Directors, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company, recommend the amount of expenditure to be incurred on such activities and monitor the corporate social responsibility policy of the company from time to time.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain- (Whole-Time Director)	Member
3.	Mr. Lalit Kumar Jain- (Independent Director)	Member
4.	Mr. Jatin Chhabra- (Non-Executive Director)	Member

2. Change in Composition:

Mr. Nayan Ambali- (Independent Director) ceased to be the Member of Committee with effect from the end of business hours of 26th May, 2022.

3. Terms of Reference:

The Committee is responsible for reviewing and recommending the Board the amount of expenditure to be incurred on CSR activities. The Committee formulates and recommends the Board CSR policy which shall indicate the activities to be undertaken by the company as per Companies Act, 2013 and rules made thereunder. The Committee monitors and reviews the CSR activities of the Company on regular intervals.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors			
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Lalit Jain (Member)	Mr. Jatin Chhabra (Member)
1.	06/09/2022				
2.	09/02/2023				
Held during the tenure		2	2	2	2
Meetings attended		2	2	2	2
 - Physically Present  - Attended through Video Conferencing L- Leave of Absence N.A.- Not Applicable					

e) ASSETS LIABILITY MANAGEMENT ("ALCO") COMMITTEE

NBFCs are exposed to credit and market risks in view of the asset-liability transformation or transactions. Competition for business; involving both the assets and liabilities has brought pressure on the management to maintain a good balance among spreads, profitability and long-term viability. Imprudent liquidity management can put earnings and reputation at risk.

The managements have to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. NBFCs are exposed to several major risks in the course of their business such as capital management, credit risk, liquidity risk and interest rate risk. The capital management, liquidity and interest rate risk (ALM risks) shall be the domain of the ALCO.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain- (Whole Time Director)	Member
3.	Mr. Lalit Kumar Jain- (Independent Director)	Member
4.	Mr. Dharmendra Kumar Jangid - (Vice-President)	Member
5.	Ms. Preeti Verma- (Assistant Head-Credit)	Member
6.	Mr. Shashank Y. Kumar- (Assistant Finance Head)	Member
7.	Mr. Naman Mehta- (Assistant Accounts Head)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Ms. Preeti Verma was appointed as the member of the Committee in place of Ms. Neha Agarwal in the Board Meeting held on August 29, 2023.

3. Terms of Reference:

The Committee is responsible for reviewing, updating and approving asset liability management policies and procedures. The Committee reviews major capital-based ratios along with ALM on quarterly basis. The Committee is responsible for determining the appropriate mix of available funding sources utilized to ensure company liquidity is managed prudently and appropriately.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors							
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Lalit Kumar Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Mr. Dharmendra Kumar Jangid (Member)	Ms. Neha Agarwal (Member)	Mr. Shashank Y. Kumar (Member)	Mr. Naman Mehta (Member)
1.	26/05/2022								
2.	20/08/2022								
3.	26/11/2022		L		L	L	L		
4.	23/02/2023						L		
Held during the tenure		4	4	4	4	4	4	4	4
Meetings attended		4	3	4	3	3	2	4	4
- Physically Present - Attended through Video Conferencing L- Leave of Absence N.A.- Not Applicable									

f) OMBUDSMAN COMMITTEE

Digamber Capfin Limited is engaged in micro finance activity and has built-up a huge client base. So it will be justifiable & desirable to have a dedicated team for timely redress various grievances of borrowers. So to provide the highest quality of services to its borrowers and ensure day to day protection and address grievances of all its borrowers, the Company has formed Ombudsman Committee with the approval of Board of directors.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Dharmendra Kumar Jangid (Vice President)	Chairman of the Committee
2.	Mr. Jugal Kishor Jangid (Manager - MIS)	Member
3.	Mr. Bablu Thakur (Manager-Compliance)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. Mr. Virendra Kumar Bhargaw (Vice President) ceased to be the Chairman & Member of the Committee w.e.f. June 13, 2023. Mr. Dharmendra Kumar Jangid (Vice President) became the Chairman of the Committee and Mr. Bablu Thakur (Manager-Compliance) became the member of the committee w.e.f. June 13, 2023.

3. Terms of Reference:

The Committee is responsible for taking notes on Client Grievance Mechanism and for developing, reviewing and approving the principles guidelines Client Grievance Mechanism. The Committee is also responsible for appointing Ombudsman or/ authorize any member of committee or to other person as mutually agreed by the committee to investigate the complaint, if required, at the option of members in the committee.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors		
		Mr. Virendra Kumar Bhargaw (Chairman)	Mr. Dharmendra Kumar Jangid (Member)	Mr. Jugal Kishor Jangid (Member)
1	21/06/2022			
2	09/08/2022			
3	31/08/2022			
4	17/09/2022			
5	07/10/2022			
6	28/10/2022			L
7	10/11/2022			
8	17/12/2022			
9	27/12/2022			
10	09/01/2023			

Annexure "E"

11	11/01/2023			
12	23/01/2023			
13	07/02/2023			
14	13/02/2023			L
15	18/02/2023			
16	15/03/2023			
17	28/03/2023			L
Held during the tenure		17	17	17
Meetings attended		17	17	14
- Physically Present - Attended through Video Conferencing				
L- Leave of Absence N.A.- Not Applicable				

g) IT STEERING COMMITTEE

The Company falls under the category of NBFC-ND-SI and in pursuant to Reserve Bank of India ("RBI") circular RBI/DNBS/2016-17/53 (Master Direction DNBS.PPD. No.04/66.15.001/2016-17) of June 8, 2017 and guidelines for Information Technology Framework for the NBFC sector ("Guidelines"), a NBFC-ND-SI required to constitute IT Steering Committee. These guidelines aim to enhance safety, security, efficiency in processes leading to benefits for NBFCs and their customers.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain- (Whole-Time Director)	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice President)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

3. Terms of Reference:

The Committee is primarily responsible for focusing on priority setting, resource allocation and project tracking and to provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors			
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Mr. Dharmendra Kumar Jangid (Member)
1.	01/11/2022				
Held during the tenure		1	1	1	1
Meetings attended		1	1	1	1
- Physically Present - Attended through Video Conferencing					
L- Leave of Absence N.A.- Not Applicable					

h) IT STRATEGY COMMITTEE

The Company falls under the category of NBFC-ND-SI and in pursuant to Reserve Bank of India ("RBI") circular RBI/DNBS/2016-17/53 (Master Direction DNBS.PPD. No.04/66.15.001/2016-17) of June 8, 2017 and guidelines for Information Technology Framework for the NBFC sector ("Guidelines"), a NBFC-ND-SI required to constitute IT Strategy Committee. This committee is formed to ensure that the IT Investments of the company are adequate with the IT technology used by the Company.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1	Mr. Lalit Kumar Jain (Independent Director)	Chairman of the Committee
2	Mr. Nayan Ambali (Non-Executive Director)	Member
3	Mr. Rajiv Jain (Managing Director & Chief Information Officer) ("CIO")	Member
4	Mr. Amit Jain (Wholetime Director cum CFO & Chief Technology Officer) ("CTO")	Member
5	Mr. Dharmendra Kumar Jangid (Vice-President)	Member

2. Change in Composition:

Mr. Nayan Ambali ceased to continue as Chairman of the committee as he is resigned from the post of Independent Director and in his place Mr. Lalit Kumar Jain (Independent Director) has been appointed as a Chairman & Member and Mr. Nayan Ambali was appointed as a Member of the Committee vide Circular Resolution (01/2022-23) passed by the Board of Directors on July 05, 2022 respectively.

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

3. Terms of Reference:

The Committee is responsible for approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place. The Committee also monitors the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources and oversee IT Governance. Committee should ensure that their business continuity preparedness is not adversely compromised on account of outsourcing and ensuring to adopt sound business continuity management practices as issued by RBI and seek proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.

4. Meetings and Attendance during the year:

S. No.	Date of Meeting	Name of Members/ Directors					
		Mr. Lalit Kumar Jain (Chairman)	Mr. Nayan Ambali (Member)	Mr. Rajiv Jain (Member)	Mr. Amit Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Mr. Dharmendra Kumar Jangid (Member)
1.	29/07/2022	L	L				
2.	11/11/2022	L				L	
Held during the tenure		2	2	2	2	2	2
Meetings attended		0	1	2	2	1	2
 - Physically Present  - Attended through Video Conferencing L- Leave of Absence N.A.- Not Applicable							

i) INTERNAL COMMITTEE (INTERNAL COMPLAINTS COMMITTEE)

This Committee has been constituted as per the provisions laid down in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as "Act") as well as the terms of employment.

The purpose of this committee is to provide protection against sexual harassment of women at workplace and for the prevention and Redressal of complaints of sexual harassment and for matters connected therewith. Sexual harassment results in violation of the fundamental rights of a woman to equality under articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under article 21 of the Constitution and right to practice any profession or to carry on any occupation, trade or business with includes a right to a safe environment free from sexual harassment.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1	Ms. Bharti Sukhyani (Manager-HR)	Presiding Officer
2	Ms. Renu Sharma (Assistant Manager-Compliance)	Internal Member
3	Mr. Shashank Y. Kumar (Assistant Head-Finance)	Internal Member
4	Mr. Satyendra Chauhan (Assistant Head-HR)	Internal Member
5	Ms. Charu Gupta	External Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Ms. Kamini Sharma and Mr. Srikant Bohara ceased to be the members of the Committee w.e.f. August 29, 2023.

Ms. Renu Sharma, Mr. Shashank Y. Kumar and Mr. Satyendra Chauhan were appointed as the members of the Committee w.e.f August 29, 2023.

The Present composition of the committee was approved by the Board of Directors w.e.f August 29, 2023

3. Terms of Reference:

The Committee is responsible for implementing the policy relating to prevention of sexual harassment at workplace and investigating every formal written complaint of sexual harassment. The Committee is also responsible for taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment;

NON-STATUTORY COMMITTEES**j) EXECUTIVE COMMITTEE**

The Executive Committee of the Board of Directors has been constituted as per Clause 94 of Article of Association of the Company and with reference to Section 179 (3) of the Companies Act, 2013 and rules provided for this purpose to assist the Board for the matters specified in clauses (d) to (f) of sub-section (3) of Section 179 of Companies Act, 2013 and other matters for smooth working of day-to-day affairs of the company. The terms of reference broadly include borrowing power under the authority provided by Board/ shareholders; invest funds of the company subject to guidelines provided by Reserve Bank of India for this purpose, account opening both in terms of borrowings & for operational functioning of the company, any authorization for regular business affairs, approval/ review of Operational policies of the company necessary for conducting operations of the company.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain (Wholetime Director)	Member
3.	Mr. Jatin Chhabra (Non-Executive Director)	Member

2. Change in Composition:

There is no change in the composition of the Committee from the closure of financial year till the date of signing of this report.

K) CREDIT COMMITTEE (MICRO-FINANCE)

Digamber Capfin Limited has a dedicated team for approving or disapproving request of clients for credit depending upon the credit-worthiness of the clients. The Board of Directors provides guidelines and procedure to approve loan to members as per the RBI guidelines and as may be required from time to time. The Committee is responsible for approving the member's requests for credit. This Committee also ensures regular compliance of loan policies and procedures.

1. Composition, Name of Members and Chairperson:

As on the date of signing of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1	Mr. Dharmendra Kumar Jangid- (Vice President)	Chairman of the Committee
2	Mrs. Preeti Verma- (Assistant Head-Credit)	Member
3	Mr. Subhash Kumawat -(Manager-Credit)	Member
4	Mr. Manoj Kumar Jat (Manager-Credit)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Mr. Dharmendra Kumar Jangid became the Chairman of the committee and Mr. Manoj Kumar Jat was appointed as the member of the Committee w.e.f August 29, 2023

I) STAFF APPRAISAL COMMITTEE

Along with the growth of the operations of the company, the requirement for human resource also increases. Recruitment of staff for both corporate office and branches along with their appraisal forms an integral part of day-to-day operations of the Company. The Company's human resource numbers have increased significantly. Now, the Company has become a family of 1800+ employees. Accordingly, the Company has constituted a separate committee called a Staff Appraisal Committee separately for personnel other than Directors and Senior Management. The Committee is responsible for formulating and reviewing the criteria for determining qualifications, attributes of staff based on their designation requirement.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2	Mr. Amit Jain- (Whole Time Director)	Member
3	Mr. Dharmendra Kumar Jangid- (Vice-President)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

m) INCENTIVE DISTRIBUTION COMMITTEE

Digamber Capfin Limited is continuously striving to achieve its set targets. The employees of the company play a huge role in this regard and as a reward for their performance the Board of Directors has decided to distribute a part of net profit as incentive amongst the employees. For this, the Board of Directors constituted the Incentive Distribution Committee.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain- (Managing Director)	Chairman of the Committee
2.	Mr. Amit Jain- (Whole – Time Director)	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice President)	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

n) INVESTIGATION COMMITTEE

The Company is thankful for the trust the shareholders have in the Company. It thrives to strengthen the same in the future too and is attentive towards the grievances of the Shareholders. In this regard, the Company has formed Investigation Committee to entertain the complaints of the Shareholders of the company.

The Committee was dissolved by the Board of Directors w.e.f. August 29, 2023.

o) PROJECT ADVISORY COMMITTEE (PAC)

The Company is primarily engaged in providing micro-finance to low-income households in India. These individuals are predominantly located in rural areas which have no or very limited access to loans from other financial institutions. The Company extends loans to them mainly for use in small businesses or for other income generating activities. For this purpose of on-lending, the company has availed financial assistance from various banks and Financial Institutions. One such Lender is SIDBI from which company is availing financial assistance under PRAYAAS SCHEME. As per the guidelines of SIDBI's PRAYAAS SCHEME the company have to constitute committee in the name and style of "Project Advisory Committee" to review the operations and progress of arrangement availed under the scheme. One of the member from SIDBI is part of this committee to guide the committee for implementation of PRAYAAS SCHEME. The objective of the committee is to review the operations and progress of arrangement availed under the SIDBI PRAYAAS SCHEME.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Dharmendra Kumar Jangid (Vice-President)	Chairman of the Committee
2.	Mrs. Preeti Verma (Assistant Head-Credit)	Member
3.	Authorised Person/Nominee of SIDBI	Member

2. Change in Composition:

There is no change in the composition of the Committee as on 31st March, 2023. However, Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

p) ESOP SUPPORT COMMITTEE

The Company has constituted this committee to evaluate and explore the Employee Stock Option Scheme as per market trends. The scheme was approved by Board of directors and subsequently by members in the Extra Ordinary General Meeting held on 25.06.2022. Further necessary powers are vested in hands of board of directors of the company.

Accordingly, this was dissolved by the Circular Resolution dated July 05, 2022.

5. DETAILED COMPOSITION OF ALL THE COMMITTEES OF THE BOARD OF THE COMPANY AS ON 31ST MARCH, 2023

Annexure "F"

Committee	Sl. No.	Name of Director/ Management Personnels	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
					Held	Attended	
1	Executive Committee	1. Mr. Rajiv Jain	27/04/2017	Chairperson	16	16	2555927
		2. Mr. Amit Jain	27/04/2017	Member	16	16	2346981
		3. Mr. Jatin Chhabra	21/01/2019	Member	16	1	103300
2	Audit Committee	1. Mr. Lalit Kumar Jain	03/10/2016	Chairperson of Committee	4	2	0
		2. Dr. Amita Gill*	05/07/2022	Member	3	3	0
		3. Mr. Nayan Ambali*	21/01/2019	Member	4	4	0
3	Nomination and Remuneration Committee	❖ Dr. Amita Gill was appointed as the member of the Committee on 05/07/2022.					
		❖ Mr. Nayan Ambali ceased to be the member of the Committee on 26/05/2022. He was further reappointed on 05/07/2022					
		❖ Mr. Jatin Chhabra ceased to be the member of Committee w.e.f 05/07/2022					
4	Corporate Social Responsibility Committee	1. Mr. Lalit Kumar Jain	03/10/2016	Chairperson of Committee	3	2	0
		2. Mr. Rajiv Jain	03/10/2016	Member	3	3	2555927
		3. Mr. Jatin Chhabra	21/01/2019	Member	3	3	103300
5	Credit Committee	4. Dr. Amita Gill*	05/07/2022	Member	2	2	0
		❖ Dr. Amita Gill* was appointed as the member of the Committee on 05/07/2022					
		❖ Mr. Nayan ambali cease to be member of committee with effect from end of business hours of May 26, 2022					
6	Asset-Liability Management Committee	1. Mr. Rajiv Jain	02/07/2018	Chairperson of Committee	2	2	2555927
		2. Mr. Amit Jain	02/07/2018	Member	2	2	2346981
		3. Mr. Jatin Chhabra	18/07/2019	Member	2	2	103300
7	Incentive Distribution Committee	4. Mr. Lalit Kumar Jain	02/07/2018	Member	2	2	0
		1. Mr. Virendra Kumar Bhargava	03/10/2016	Chairperson of Committee	4	2	24000
		2. Mr. Dharmendra Kumar jangid	03/10/2016	Member	4	4	24000
8		3. Ms. Preeti Verma	03/10/2016	Member	4	4	0
		4. Mr. Subhash Kumawat	03/10/2016	Member	4	4	0
		1. Mr. Rajiv Jain	15/03/2019	Chairperson of Committee	4	4	2555927
9		2. Mr. Amit Jain	15/03/2019	Member	4	3	2346981
		3. Mr. Lalit Kumar Jain	14/02/2022	Member	4	4	0
		4. Mr. Virendra Kumar Bhargava	15/03/2019	Member	4	3	24000
10		5. Mr. Dharmendra Kumar jangid	15/03/2019	Member	4	3	24000
		6. Mr. Shashank Y. Kumar	29/06/2021	Member	4	4	0
		7. Mr. Naman Mehta	29/06/2021	Member	4	4	0
11		8. Ms. Neha Agarwal	15/03/2019	Member	4	2	0
		❖ Mr. Jatin Chhabra ceased to be member of committee w.e.f. 5th July 2022					
		1. Mr. Rajiv Jain	25/01/2020	Chairperson of Committee	0	0	2555927
12		2. Mr. Amit Jain	25/01/2020	Member	0	0	2346981
		3. Mr. Virendra Kumar Bhargava	25/01/2020	Member	0	0	24000
		4. Mr. Dharmendra Kumar jangid	25/01/2020	Member	0	0	24000

Annexure "F"

8	Internal Complaint Committee	1. 2. 3. 4. 5.	Ms. Kamini Sharma Ms. Bharti Sukhyani Mr. Virendra Kumar Bhargava Mr. Srikant Bohara Ms. Charu Gupta	24/08/2021 24/08/2021 24/08/2021 24/08/2021 24/08/2021	Chairperson of Committee Member Member Member Member	0 0 0 0 0	0 0 0 0 0	0 0 24000 0 0
9	Investigation Committee	1. 2. 3.	Mr. Virendra Kumar Bhargava Ms. Neha Agarwal Mr. Om Prakash Dhuwariya	08/09/2020 08/09/2020 08/09/2020	Chairperson of Committee Member Member	0 0 0	0 0 0	24000 0 0
10	IT Steering Committee	1. 2. 3. 4.	Mr. Rajiv Jain Mr. Amit Jain Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid	05/01/2021 05/01/2021 05/01/2021 05/01/2021	Chairperson of Committee Member Member Member	1 1 1 1	1 1 1 1	2555927 2346981 24000 24000
11	IT Strategy Committee	1. 2. 3. 4. 5. 6.	Mr. Lalit Kumar Jain Mr. Nayan Ambali Mr. Rajiv Jain Mr. Amit Jain Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid	05/07/2022 05/01/2021 05/01/2021 05/01/2021 05/01/2021 05/01/2021	Chairperson of Committee Member Member Member Member Member	2 2 2 2 2 2	0 1 2 2 1 2	0 0 2555927 2346981 24000 24000
12	Risk Management Committee	1. 2. 3. 4.	Mr. Rajiv Jain Mr. Amit Jain Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid	24/04/2016 24/04/2016 24/04/2016 24/04/2016	Chairperson of Committee Member Member Member	4 4 4 4	4 4 4 4	2555927 2346981 24000 24000
13	Staff Appraisal Committee	1. 2. 3. 4.	Mr. Rajiv Jain Mr. Amit Jain Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid	18/07/2019 18/07/2019 18/07/2019 18/07/2019	Chairperson of Committee Member Member Member	10 10 10 10	10 10 9 10	2555927 2346981 24000 24000
14	Ombudsman Committee	1. 2. 3.	Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid Mr. Jugal Kishor Jangid	03/10/2016 03/10/2016 03/10/2016	Chairperson of Committee Member Member	17 17 17	17 17 14	24000 24000 0
15	Project Advisory Committee	1. 2. 3. 4.	Mr. Virendra Kumar Bhargava Mr. Dharmendra Kumar Jangid Ms. Preeti Verma (Authorised person/ Nominee SIDBI)	12/02/2021 12/02/2021 12/02/2021 24/08/2021	Chairperson of Committee Member Member Member	0 0 0 0	0 0 0 0	24000 24000 0 0

❖ Mr. Lalit Kumar Jain appointed as Chairman of Committee w.e.f. 05-July-2022.
❖ Mr. Nayan Ambali cease to be Chairman w.e.f. End of Business hours of May 26,2022 and Appointed as Member w.e.f. 5 July 2022

6. GENERAL BODY MEETINGS

Financial Year	Location of the Meeting	Day, Date & Time	Special Resolutions
2022-23 **27 th Annual General Meeting	Through video conferencing & deemed venue at registered office of the Company	Friday, September 30, 2022, at 11:30 A.M.	- To Authorize the Board to borrow monies over and above the paid up share capital and free reserves and securities premium of the company. - To Authorize the Board to create charge/mortgage properties of the company for securing Loan and other Financial Assistance.
2022-23 **01/2022-23 Extra-Ordinary General Meeting	Through video conferencing & deemed venue at registered office of the Company	Saturday, June 25, 2022 at 04:00 P.M.	- Approval of Digamber Capfin Limited Employees Stock Option Scheme-2022 (DCL ESOP 2022) - To approve revision in the remuneration of Mr. Rajiv Jain, Managing Director (Din:00416121) of the Company - To approve revision in the remuneration of Mr. Amit Jain, Whole Time Director (Din:00416133) of the Company - Approval for revision in remuneration of Mrs. Shilpa Ajmera, IT Head of the Company - Approval for revision in remuneration of Mrs. Shweta Jain, Finance Head of the Company
2021-2022 *26 th Annual General Meeting	Through video conferencing & deemed venue at registered office of the Company.	September 29, 2021 at 11.30 A.M.	- Regularization of Dr. Amita Gill (DIN: 09066022) as an Independent Director of the company for the period of five years. - Re-appointment of Mr. Lalit Kumar Jain (DIN:07517615) as an Independent Director of the company for the second term for the period of five years.
2020-2021 25 th Annual General Meeting	J-54-55, II Floor, Anand Moti, Near Toyoto Showroom, Tonk Rd, Gopal Pura Mode, Jaipur, Rajasthan 302018	September 29, 2020 at 11.20 A.M.	-

* During the Financial year 2021-2022, The 26th AGM was held through Video Conferencing on account of outbreak of COVID-19 pandemic. The AGM was conducted in accordance with relevant circulars issued by MCA.

** During the Financial year 2022-2023, the EGM and 27th AGM was held through Video Conferencing in accordance with relevant circulars issued by MCA.

7. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No resolution was passed through postal ballot process by the company during the period under review.

Further, no special resolution is proposed to be passed through Postal Ballot as on the date of this report.

8. MEANS OF COMMUNICATION

The Board recognizes the importance of communication with stakeholders and giving are port of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company has its website (<https://www.digamberfinance.com/>) that contains required information for the stakeholders.

(a) Address for correspondence

The Company's registered office situated at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018

E-mail ID: compliance@digamberfinance.com

Phone No. 0141-2700233, 2700234

Website: <https://www.digamberfinance.com/>

(b) Details of Compliance officer

Name: Ms. Neha Agarwal

E-mail Id: compliance@digamberfinance.com

Phone No. 0141-2700233, 2700234

(c) Quarterly Results

The Company has filed Quarterly, Half-yearly and Annual Financial Result from time to time with BSE Limited pursuant to the regulation 52 of SEBI (LODR) Regulation, 2015 and also uploaded the same on website of the company and are also displayed along with other relevant information viz., notices, shareholder communications, policies, Director's profile, Annual Report, other official news etc. on its website i.e. <https://www.digamberfinance.com/>

(d) Newspapers wherein result normally published

The quarterly financial results are generally published in Financial Express in compliance with Listing Regulations.

(e) Website

The Company's website <https://www.digamberfinance.com/> contains a separate section 'Investors' for use of investors. The quarterly, half yearly and annual financial results and official details are promptly and prominently displayed on the website. Annual Reports, and other Corporate Communications made to the Stock Exchanges are also available on the website

9. GENERAL SHAREHOLDER INFORMATION**(a) Ensuing Annual General Meeting (AGM)**

28th AGM of the company for the Financial year 2022-2023 will be held on September 26, 2023 at 11.30 A.M. at the registered office of the Company.

(b) Financial Year

The Company follows the Financial Year starting from 01st April to 31st March every year.

(c) Dividend Payment Date

The Board of Directors has not recommended any dividend for the year under consideration on Equity Shares of the Company.

(d) Stock Exchanges name and annual listing fee payment

The equity Shares of the company are not listed on any stock exchange in India or abroad. However, the Company has issued privately placed Non-Convertible Debentures, which are listed on Wholesale Debt Market Segment of BSE Limited.

1. The detail of the same is listed below:

Stock Exchange	ISIN	Stock Code
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001, Maharashtra, India	INE02QN07011	959856

2. The Annual listing fees has been paid to the BSE Limited for the Financial year 2022-2023 and 2023-2024**3. The Non-Convertible Debentures (NCDs) outstanding as on March 31, 2023 are as follows:**

Sr. No.	Details of Trustee	ISIN	No. of Debentures	Outstanding Amount (In Rs.)
1.	CATALYST TRUSTEESHIP LIMITED Windsor, 6 th Floor, office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai-400098	INE02QN07011	250	25,00,00,000

Annexure "E"

Further, the aforesaid 250 (Two Hundred Fifty) Non-convertible Debentures each having a face value of Rs. 10,00,000/- (Indian Rupees Ten Lakh only) aggregating to a face value of Rs. 25,00,00,000/- (Indian Rupees Twenty-Five Crore) at par, in dematerialized form on a private placement basis under ISIN: INE02QN07011 which were listed on BSE limited, were fully redeemed on maturity at par on 21st April, 2023.

The redemption amount was paid by the company and the Certificate under Reg. 57 (1) and Reg. 51 of SEBI LODR reg. 2015 has been submitted to BSE. Subsequently, the Company has applied for delisting of Non-Convertible Debentures and the same was approved by BSE limited. Henceforth the company stands to be delisted from BSE limited as on 30th June, 2023.

(e) Market Price Data

The equity shares of the company are not listed in any stock exchange in India or abroad. Thus, this disclosure is not applicable on the Company.

(f) Performance in comparison to broad-based indices

The equity shares of the company are not listed in any stock exchange in India or abroad. Thus, this disclosure is not applicable on the Company.

(g) Information related to suspension of the securities from trading during the Financial Year 2022-23

No securities under ISIN INE02QN07011 are suspended from trading on BSE Limited as on March 31, 2023. Further, the equity shares of the company are not listed in any stock exchange in India or abroad. Thus, this disclosure is not applicable on the Company.

(h) Registrar and Share Transfer Agent

CDSL Ventures Limited

Address: Marathon Futurex, A Wing, 25th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai-400013

SEBI Registration No. INR000004200

Authorised Person: Mr. Milind Saraf (Senior Manager-RTA Operations)

Contact Details: milinds@cDSLindia.com Mobile +91- 8097447112

(i) Share Transfer System

After completion of prescribed process, the dematerialized shares are transferred directly to the beneficiaries by the depositories. Dealing and transactions in equity shares of the Company is permitted only in dematerialized form. The Ministry of Corporate Affairs (MCA) has mandated that securities of unlisted public companies can be transferred only in dematerialized form. Accordingly, the Company & its Registrar and Transfer Agent have stopped accepting any fresh lodgment for transfer of shares in physical form.

The Members holding shares in physical form are advised to avail of the facility of dematerialization.

All the Non-Convertible Debentures of the Company are in dematerialized form, hence there are no physical transfer of debentures.

An Annual Certificate of Compliance under Regulation 61(4) read with Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained from R. Chouhan & Associates, Practicing Company Secretaries and a copy of the certificate is filed with the Stock Exchange within the prescribed time.

(j) Shareholding Pattern/Distribution of shareholding of Equity shares as on March 31, 2023:

Sr. No	Category	Equity	
		No. of Shares	%
1.	Promoters		
	Individual/HUF	7575754	76.70
	Non-resident Indian (NRI)	0	0
2.	Non Promoters Public Shareholding		
	Government	0	0
	Insurance Companies	0	0
	Banks	0	0
	Financial Institution	0	0
	Foreign institutional investors	0	0
	Mutual Fund	0	0
	Venture Capital	0	0
	Body Corporate (Not mentioned above)	1043800	10.57
	Individuals	1257376	12.73
	Total	98,76,930	100

(k) Distribution of shareholding of Equity shares

Category/No. of Shares	No. of Shareholders	% of total no. of shareholders	Total shares	% of total no. of shares
1-100,000	35	76.09%	977597	9.90%
100001-200000	3	6.52%	351249	3.56%
200001-300000	0	0.00%	0	0.00%
300001-400000	2	4.35%	682903	6.91%
400001-500000	2	4.35%	972330	9.84%
500001-600000	0	0.00%	0	0.00%
600001-700000	0	0.00%	0	0.00%
700001-800000	0	0.00%	0	0.00%
800001-900000	0	0.00%	0	0.00%
900001-1000000	1	2.17%	912094	9.23%
1000001-2000000	1	2.17%	1077849	10.91%
2000001-3000000	2	4.35%	4902908	49.64%

(l) Dematerialization of Equity shares and liquidity

During the period under review, no DEMAT request were received from the shareholder of the company. The detailed information is provided in the Board Report forming the part of Annual Report.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments

The Company does not have any outstanding Global Depository Receipt or American Depository Receipt or any other convertible instruments.

(n) Plant Locations

The Company is an Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI), hence this provision is not applicable.

(o) Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity price risks or foreign exchange risk and hedging activities during the period under review.

(p) Credit Rating

The disclosures with regard to the Credit ratings is duly disclosed in the Board Report's and disclosed in Note No. 62 of the Financial Statements.

10. OTHER DISCLOSURES**(a) Related Party Transactions**

The related party transactions that were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the Company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the Company at large.

All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors and/or Shareholders, as may be applicable for approval.

Further, as per the requirements of Ind-AS the transactions with related parties are disclosed in the Note No. 40 of the Financial Statements.

(b) Changes in Senior Management Personnel

Mr. Virendra Kumar Bhargaw, Vice President of the Company has resigned from the Company w.e.f. closing hours of August 16, 2023.

In Compliance of RBI's Directions on Compliance Function and Role of Chief Compliance Officer (CCO)-NBFCs, the Company has appointed Mr. Dilip Kumar Morwal as the Chief Compliance Officer (CCO) of the Company w.e.f. June 21, 2023 who qualifies the Fit & Proper Criteria as laid down by the Reserve Bank of India.

Mr. Dilip Kumar Morwal is an experienced compliance professional with a demonstrated history of working in the financial service industry for more than two decades with broad experience in all aspects of risk, compliance, financial management, audits, internal controls, fraud prevention, Legal, Secretarial, Human Resource, Information Technology Department (administration), Business Operations, Accounts, MIS/Data Analysis and for establishing compliance culture in financial sector.

(c) Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

During the last three years, there has been no penalties or stricture imposed on the company by stock exchange(s) or the board or any statutory authority except fines imposed on company as mentioned below:-

- On September 28, 2022 the BSE Limited imposed a fine of Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) for the delay in submission of the notice of Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015. Further company has paid the said fine amount of Rs. Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) to Stock Exchange on 21th October, 2022.
- On October 31st, 2022 the BSE Limited ("Stock Exchange") imposed a fine of Rs. 5900 (Rupees Five Thousand Nine Hundred Only) for the delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities as per Regulation 50(2) of the SEBI (LODR) Regulations, 2015 and fine of Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) for non-submission of Annual Report within the period prescribed as per Regulation 53(2) of the SEBI (LODR) Regulations, 2015. The Company applied for waiver of penalty imposed Regulation 53(2) of the SEBI (LODR) Regulations, 2015, but to the date of signing of this report, has not received any further communication. Further, the Company has paid the fine amount of only Rs. 5,900 (Rupees Five Thousand Nine Hundred Only) to Stock Exchange on 22nd November, 2022.

It is hereby submitted that both the incidences took place due to inadvertence. The Company has taken suitable steps to avoid happening of such events in future.

(d) Details of establishment of vigil mechanism/whistle blower policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made there under, the Company has established a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct.

The Company has also adopted a Code of Conduct named "DCL Code of Conduct" for Directors and Senior Management Executives & employees, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in appropriate or exceptional cases. This policy was approved by board of directors in their meeting held on Monday, 3rd day of October, 2016.

Further this policy is available on website of company at https://digamberfinance.com/images/uploadimage/Vigil%20Mechanism_Whistle%20Blower%20Policy.pdf in compliance of 177 (10) of the Companies Act, 2013.

Further your Board of Directors affirm that no personnel have been denied access to the Audit Committee.

(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company is complying with all the mandatory requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are applicable for listed NCDs.

Further, the Company has complied with provisions of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 and guidelines notified thereunder. The Company falls under the category of Middle Layer (hereinafter referred to as 'NBFC-ML') with effect from March 31, 2023.

However, the Company has not adopted any of the non-mandatory requirements stipulated under the said regulations.

(f) Material Subsidiaries

During the year under review, the Company does not have any material subsidiary.

(g) Web link where policy on dealing with related party transactions uploaded

The web link for policy on dealing with related party transactions is given below:-

<https://digamberfinance.com/images/uploadimage/Related%20Party%20Transaction%20Policy.pdf>

(h) Disclosure of commodity price risks and commodity hedging activities

The Company does not have any exposure to commodity price risks or foreign exchange risk and hedging activities during the period under review.

(i) Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the period under review, the company has not raised funds raised through preferential allotment or qualified institutions placement.

We hereby confirm that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. However, since the equity shares of the company are not listed with any Stock Exchange hence requirement of obtaining the certificate from Practicing Company Secretary on the matter is not applicable on the company

(j) Recommendations of the Committees

During the period under review, the Board has accepted all recommendation given to it by various Committees.

(k) Total Fee Paid to the Statutory Auditor

The details of total fees paid to M/s Kalani & Company, Chartered Accountants (FRN: 000722C) Statutory Auditors of the Company during the Financial Year 2022-23 is given below:

Particulars	Amount (Rs. In Lakh)
Audit Fees (including Limited Review and Tax Audit)	12.56
Non-audit service (including Company Law Matters and Certification fees)	4.45
Total	17.01

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The company has complied with the provisions of policy adopted as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Further, the Disclosure with regard to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is duly disclosed in the Board Report's.

(m) Disclosure by the company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

This clause is not applicable to the company as no Loans and advances was given to the any firms/companies in which directors are interested.

(n) Disclosure by the company with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

The Company has complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

However, the disclosures on compliance with corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to company as the company not falls under the definition of High value debt company.

(o) Status of Compliance of Discretionary Requirements as per Part E of Schedule II of SEBI (LODR) Regulations, 2015

The Company has, during the year under review, made compliance with all the requirement under various laws as applicable to the company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

- **The Board:**

The Company has an Executive Chairman and hence, the need for implementing this requirement does not arise.

- **Shareholder Rights:**

The quarterly, half-yearly and annual financial results of your Company are published in newspapers. Annual financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website <https://www.digamberfinance.com/disclosure.php>.

- **Modified opinion in Audit Report:**

During the year under review, there was no modified audit opinion provided by the Auditors in the Audit Report of the Company's Annual financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

- **Separate posts of Chairperson and CEO:**

The Company has appointed Mr. Rajiv Jain as Chairman cum Managing Director and No Chief Executive Officer is appointed.

Reporting of Internal Auditor:

The Internal Auditor of the Company as invitee attends the Meetings for reporting their findings of the internal audit to the Audit Committee Members. Periodical Internal Audit Report is also place before the Audit Committee.

(p) Disclosure with respect to maintenance of functional website as per regulation 62 of SEBI (LODR) Regulations, 2015

As Non-Convertible Debentures of the company is listed on BSE Stock Exchange and per requirement of Regulation 62, the company has maintained functional website & access by the said web-link <https://www.digamberfinance.com/>

(q) The Company has complied with Corporate Governance Requirements as specified in the SEBI (LODR) Regulations, 2015 and regulation 62(1) clause (a) to (k) for the period under review.**(r) Declaration signed by the Chairman cum Managing Director regarding compliance with the code of conduct of Board of Directors and Senior Management is enclosed herewith as Annexure "J"****(s) Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance is not applicable on the company as Equity Shares of the company are not listed in any stock exchange in India or abroad****(t) Disclosures with respect to Demat suspense account/ unclaimed suspense account**

Disclosure with regard to the establishment of Demat suspense account/ unclaimed suspense account is duly disclosed in the Board Report.

(u) Any query on Annual Report

The members can write an email on neha.agarwal@digamberfinance.in and compliance@digamberfinance.com or send their query on mentioned address: J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018 addressed to the Company Secretary of the Company.

(v) Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.

(w) Others:**During the period under review for financial year 2022-23:**

1. The Company has duly informed all the price sensitive information disclosures as required under Regulation 51 of the SEBI (LODR) Regulations, 2015 via BSE portal.
2. No investor complaints were received as per Regulation 13 of the SEBI (LODR) Regulations, 2015.
3. No complaints were lodged on the SCORES platform.
4. No major observations were received in the Statutory Audit Report and Secretarial Audit Report.
5. All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
6. No show-cause notice was issued by any regulatory authority.
7. No legal proceedings are pending against the Company.
8. No money was raised by the Company through public issue, rights issue etc. in the last financial year.
9. All pecuniary relationships or transactions, if any, of the Non-Executive Directors with the Company has been duly disclosed in report.

Annexure "E"

10. There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of the Listing Regulations where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
11. The Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Act.
12. None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.
13. With reference to the SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 with respect to fund raising by issuance of Debt Securities by large entities and disclosures and Compliances thereof by such large entities. Respective to it, the Company does not fall under the criteria of "Large Corporate" as on 31st March, 2023 as specified in para 2.2 of the said SEBI Circular. Henceforth, disclosures and Compliances mentioned therein to be done by Large Corporate are not applicable to the Company
14. The Company has paid the requisite Custodial Fees to the Depositories viz. CDSL and NSDL, respectively for the financial years 2022-23 and 2023-24.
15. The KYC of all the Directors have been filed under MCA Portal for the F.Y 2022-2023
16. We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The corporate governance policies are available on the Company's website, at web link stated below. The policies are reviewed periodically by the Board and updated as needed. Key policies that have been adopted are available on the web link <https://www.digamberfinance.com/code.php>

11. CLIENT GRIEVANCE REDRESSAL MECHANISM

DCL is dedicated to provide the highest quality of services to its clients. To accomplish this, DCL have started a dedicated client Grievance Cell to timely and efficiently address their grievances. The Company has developed the mechanism to solve the client grievances on the priority basis. The Company gives Toll Free No. "18001806365" to its customers for faster resolution.

Grievances Redressal Officer manages and maintains a control sheet where he notes down the all the grievances call received and action taken subsequent to the grievance.

A copy of the control sheet duly updated by the grievance Redressal officer goes to the top Management as scheduled. The Management looks at each and every complaint and appraise the Grievance Redressal Officer time to time.

A summary of all such complaints is summarized and presented before Ombudsman Committee so that they can appraise and guide the management on best practice. Grievances Redressal Mechanism helps DCL to be a customer centric organization. Further this mechanism is available on website of company at <https://digamberfinance.com/images/uploadimage/Client-Grievance-Redressal-Mechanism.pdf>

12. ADOPTION OF FAIR PRACTICE CODE

With the approval of board, DCL has adopted guidelines provided by Reserve bank of India regarding FAIR PRACTICE CODE for NBFCs which provides operating guidelines for effective dissemination and implementation of responsible business practices and to constantly review the functioning of working staff of the company for day-to-day business activities. Based on the guidelines provided by RBI, DCL has framed an internal policy on Fair Practice Code, duly approved by the Board of Directors of the Company. In addition to general principles provided by RBI for NBFCs some are the guidelines especially for NBFC MFIs. Same is communicated & implemented to provide transparency in day-to-day business activities.

Further this mechanism is available on website of company at [https://digamberfinance.com/images/uploadimage/Fair%20Practice%20Code%20\(FPC\).pdf](https://digamberfinance.com/images/uploadimage/Fair%20Practice%20Code%20(FPC).pdf)

For and on behalf of the Board of Directors
Digamber Capfin Limited

Date: 29.08.2023
Place: Jaipur

-sd-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

-sd-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

ANNEXURE- F

FORM NO. AOC-2

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

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

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

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship:	NA
b)	Nature of contracts/arrangements/transactions	NA
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date(s) of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Lakhs in Rs.)	Date(s) of approval by the board/ shareholders if any	Amount paid as advances, if any
a)	Mrs. Shilpa Ajmera	Remuneration	As per the Resolution	36.00	EGM 04.10.2018 & **EGM 25.06.2022	NIL
b)	Mrs. Shweta Jain	Remuneration	As per the Resolution	36.00	EGM 04.10.2018 & **EGM 25.06.2022	NIL
c)	Conflux Technologies Private Limited	Web Rent Expenses	As per the Resolution passed in the Board Meeting	94.02	Not Applicable	NIL

**Note:

Remuneration of Mrs. Shweta Jain and Mrs. Shilpa Ajmera has been increased from Rs. 36.00 Lakh to Rs. 60.00 Lakh p.a. respectively w.e.f. 25.06.2022 till 24.06.2025

Digamber Capfin Limited

-sd-

Rajiv Jain

Chairman and Managing Director
(DIN - 00416121)

-sd-

Lalit Kumar Jain

Independent Director
(DIN- 07517615)

Date: 29.08.2023
Place: Jaipur

ANNEXURE- G

RELATED PARTY TRANSACTION POLICY

INTRODUCTION

The Companies Act, 2013 ("the Act") read with the Companies (Meeting of Board and its Power) Rules, 2014 ("Rules") introduced specific provisions relating to Related Party Transaction and defined the term related parties, related party transaction, relatives, key management personnel. The Act and the rules have also laid down the financial limits and the approval process of such transaction.

Accordingly, the Board of director (the "Board") of Digamber Capfin Limited ("The Company") has adopted a policy to regulate transaction between the Company and Related Parties.

A company, in the course of conduct of its business, enters into various transactions with different parties, including its related parties. Companies also carry on their activities through subsidiary and associate companies. Accordingly, related party relationships are a normal feature of business. Due to this relationship, related parties may enter into transactions that unrelated parties may not. For this the board of directors ("Board") of Digamber Capfin Limited ("The Company") has adopted the said Related Party Transactions Policy.

SCOPE AND PURPOSE

This Policy is formulated in line with the provisions of the Companies Act, 2013 and Directions issued by Reserve Bank of India. It is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties.

DEFINITIONS

1. "Act" means the Companies Act, 2013 or any previous enactment thereof and shall include all rules, regulations, made thereunder, amendments, modifications and re-enactments thereto.
2. "Arm's Length Transaction" as per explanation to sub-section (1) of Section 188 of the Act term 'arm's length transaction' as a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.

In terms of Section 92F of the Income-tax Act, 1961, "arm's length price" means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.

3. "Articles" or "AOA" means the Articles of Association of the Company as may be amended from time to time as prescribed under the Transaction Documents.
4. "Audit Committee" means "Audit Committee" constituted by the Board of Directors of the Company under section 177 of the Act and in compliance with Articles, from time to time.
5. "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.
6. "Director" shall have the same meaning as prescribed to it under the act.
7. "Key Managerial Personnel (KMP)" means as per section 2(51) of the companies act 2013 in relation to a company, means—
 - The Chief Executive Officer or the managing director or the manager;
 - The Company Secretary;
 - The whole-time director;
 - The Chief Financial Officer;
 - Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - Such other officer as may be prescribed

8. "Ordinary Course of Business" in relation to the Company means the ordinary course of business, as applicable, consistent with past practice and compliant with Applicable Laws in all material respects or to the extent required to taken in compliance with statutory obligations or contractual obligations existing as of the date hereof or entered in accordance with the terms of the Transaction Documents;

9. "Person(s)" shall mean an individual, corporation, partnership, limited liability partnership, association, trust or other entity or organisation, including a government or political subdivision or an agency or instrumentality thereof.

10. "Policy" means this policy in relation to Related Party Transactions of the Company.

11. "Related Party" means such party with reference to a company as defined in Section 2(76) of the Act.

12. "Related Party Transaction" means contracts or arrangements between a company and its related parties with respect to transactions covered in Section 188 of the Act. The expression 'contract or arrangement' has different connotations under the Act. While 'contract' envisages a written /formal binding document, 'arrangement' may be with or without a written document.

A "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Words and expression used in this policy but not defined herein shall have the meaning prescribed to them in the Companies Act, 2013 and the Rules framed there under as amended from time to time.

DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions (other than transactions between the Company and its wholly owned subsidiaries) which are in the ordinary course of business and on arm's length basis shall require approval of the Audit Committee of the Company in accordance with this Policy.

Apart from this, All Other related party transactions shall be dealt with in accordance of the prevailing provisions of Companies Act, 2013 and rules made thereunder.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be placed before the Audit Committee of the Company for its approval.

All Directors, Members of the Management and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest at their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence (As per enclosed Annexure).

Further, Directors and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

All Related Party Transactions must be reported to the Company Secretary who shall place the same before the Audit Committee in accordance with this Policy.

The Audit Committee may grant omnibus approval to Related Party Transactions that are:

- a. Repetitive in nature; and
- b. Entered in the ordinary course of business and on arm's length basis.

Such omnibus approval may be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

1. The transaction in question is necessary to be executed as it is in the business interest of the Company;
2. The requisite information is presented to the Audit Committee's satisfaction to confirm that the transaction is entered in the ordinary course of business and on arm's length basis;
3. Such omnibus approval shall specify –
 - i. the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - ii. the indicative value and the formula for variation in the value, if any and
 - iii. such other conditions as the audit committee may deem fit;

4. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of the financial year.
5. Any member of the Audit Committee, who has an interest in any Related Party Transaction, will recuse himself or herself and abstain from discussion or voting on the approval or ratification of such related party transaction;
6. All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any member of the Board who has an interest in such Related Party Transaction will recuse himself or herself and abstain from discussion or voting on the approval of such Related Party Transaction.
7. Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 if applicable.
8. All entities falling under the definition of related parties shall not vote to approve the said resolution being placed before the shareholders.

RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL

Following Related Party Transactions shall not require any separate approval under this Policy:

- I. Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board;
- II. Transactions that have been approved by the Board under the specific provisions of the Companies act, 2013 e.g., inter-corporate deposit, borrowings, investment etc. with or in wholly owned subsidiaries or other related parties;
- III. Payment of Dividend;
- IV. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the board and carried out in accordance with the specific provisions of the companies' act, 2013;
- V. Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee.

RATIFICATION OF TRANSACTION WITH RELATED PARTY

Where a company enters into any related party transaction without prior approval of Audit Committee, the company may ratify such transaction within three months to avoid any penal consequences.

DISCLOSURE OF RELATED PERSON BY KMP/DIRECTORS OF THE COMPANY

Every KMP/Directors of the company shall provide the complete details of their relatives in terms of section 2(77) of the act and their concern or interest in any company/firm/LLP or any other entity in the format as annexed "ANNEXURE-1" at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change for the purpose of identification of related party transaction as per provisions of section 188 of the act.

AMENDMENTS TO THE POLICY

The Audit Committee of the Company shall review this Policy from time to time, and may recommend amendments to the same for approval of the Board.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

POLICY REPEALABLE

- I. This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any Applicable Law, statute or regulation, the same shall be Repealable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.
- II. This Policy shall be placed on the website of the Company
at <https://www.digamberfinance.com/corporategovernance/>

ANNEXURE- 1

DISCLOSURE OF DETAILS OF RELATIVES AS PER SECTION 2(77) OF THE COMPANIES ACT, 2013

Name of Person:

Designation:

The details of my relatives are as under:

Sr. No.	Name of Relative	Relationship	PAN Number /Other Identification No.	Entities in which the relative is a self-proprietor/ partner or Member/ Director of a Private Company	Entities in which the director together with his relative(s) holds more than 2% of the paid-up share capital of a public limited company of which the director is also a director
1.					
2.					

Date:

Place:

(Signature)

ANNEXURE- H

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Digamber Capfin Limited is a public limited company registered under the provisions of Companies Act, 1956 and is a Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI) and a systematically important non deposit taking NBFC.

DCL was incorporated on April 17, 1995 and started its NBFC as a vehicle financing institution in year 1999 and thereafter started the NBFC-MFI operations in year 2013.

DCL is a 29 years old company, and has become one of the leading player in NBFC-MFI in India. As on the date of signing of this report, it has network of 214 branches in 9 states and having 4,85,937 satisfied customers and its Assets under Management stands at a level of more than Rs. 1100 Crores. During the financial year 2022-2023 it earned a total income of Rs. 25,681.55 Lakhs, EBIDTA of Rs. 13,932.15 Lakhs and enjoys capital adequacy in excess of 25.80% which is well above the RBI norms.

GLOBAL ECONOMY OVERVIEW

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

Inflation is much stickier than anticipated even a few months ago. While global inflation has declined, that reflects mostly the sharp reversal in energy and food prices. But core inflation, excluding the volatile energy and food components, has not yet peaked in many countries.

Once again, downside risks dominate. Nervous investors often look for the next weakest link, as they did with Credit Suisse, a globally systemic but ailing European bank. Financial institutions with excess leverage, credit risk or interest rate exposure, too much dependence on short-term funding, or located in jurisdictions with limited fiscal space could become the next target.

We are therefore entering a perilous phase during which economic growth remains low by historical standards and financial risks have risen, yet inflation has not yet decisively turned the corner. More than ever, policymakers will need a steady hand and clear communication. The appropriate course of action is contingent on the state of the financial system. As long as the latter remains reasonably stable, as it is now, monetary policy should stay firmly focused on bringing inflation down. A silver lining is that the banking turmoil will help slow aggregate activity as banks curtail lending in the face of rising funding costs and of the need to act more prudently. In and of itself, this should partially mitigate the need for further monetary policy tightening. But any expectation that central banks will abandon the fight against inflation would have the opposite effect: lowering yields, supporting activity beyond what is warranted, and complicating the task of central banks. Tighter fiscal policy can also play an active role. By cooling off economic activity, it would support monetary policy, allowing real interest rates to return faster to their low natural level. (Source: World Economic Outlook, A Rocky Recovery, Full Report, April 2023)

OUTLOOK

The world continues to confront multiple, inter-connected crises. Amid a good recovery from the impact of the COVID-19 pandemic, the world is facing a food and energy crisis exacerbated by the war in Ukraine, with record high inflation unleashing a cost-of-living crisis. Developing countries are struggling over the costs of imports and debt servicing, and a climate crisis continues to wreak havoc on the most vulnerable countries and populations.

The bank failures shed light on the potential consequences of hawkish monetary policy across many major economies. Higher interest rates, raised by central banks battling to bring down stubbornly high inflation, are hurting companies and national governments with high levels of debt.

THE INDIAN ECONOMY OVERVIEW

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.

India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Still, private capex soon needs to take up the leadership role to put job creation on a fast track.

It also points out that the upside to India's growth outlook arises from (i) limited health and economic fallout for the rest of the world from the current surge in Covid-19 infections in China and, therefore, continued normalisation of supply chains; (ii) inflationary impulses from the reopening of China's economy turning out to be neither significant nor persistent; (iii) recessionary tendencies in major Advanced Economies (AEs) triggering a cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6 per cent; and (iv) this leading to an improvement in animal spirits and providing further impetus to private sector investment.

The credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. It adds that the recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns.

Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate.

Therefore, the Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand, and to a lesser extent, by exports. It also adds that the CAD needs to be closely monitored as the growth momentum of the current year spills over into the next.

The Survey brings to the fore an interesting fact that in general, global economic shocks in the past were severe but spaced out in time, but this changed in the third decade of this millennium, as at least three shocks have hit the global economy since 2020. (Source: Summary Of The Economic Survey 2022-23)

NBFC SECTOR OVERVIEW

Non-banking financial companies (NBFCs) maintained robust credit growth during 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet. A scale based regulatory framework was implemented for NBFCs during 2022-23.

The Indian economy exhibited robust resilience in 2022-23 amidst a global turmoil following the war in Ukraine, and recorded a growth of 7.0 per cent, the highest among major economies in the world. Barring the Omicron wave scare early in the year 2022, COVID-19 was largely on the ebb for most part of the year helping in restoration of consumer and business confidence. Contact-intensive activity gradually resuscitated during the year and the release of pent-up demand bolstered domestic activity. Sound macroeconomic fundamentals, a resilient financial system reflected in healthy balance sheets of banks and non-banking financial companies (NBFCs), and a deleveraged corporate sector imparted resilience to counter the adverse global spillovers.

Within services, bank credit to non-banking financial companies (NBFCs) consolidated with increased credit offtake during 2022-23

With non-banking financial companies (NBFCs) constituting an increasingly important segment of the Indian financial system, the RBI plans to strengthen the analysis of transmission to lending rates and sectoral credit flows by expanding the coverage to include NBFCs in addition to banks in a phased manner (Utkarsh 2.0);

(Source: Annual Report of RBI for FY 2022-23)

MICROFINANCE SECTOR REVIEW

Based on end-user, the India Microfinance Market is segmented into Agricultural and Allied Services, Services, Trade & Business, Education, Production, and Others. The agricultural and allied services segment accounts to hold the largest market share. One way to close that gap is by using microfinance organizations, which give farmers access to professional advice and low-interest loans, enabling them to break free from poverty. People's trust in the government grows as their money and living conditions rise. Moreover, trade and business are expected to dominate the market share. People can obtain acceptable small business loans through microfinance in a secure manner that adheres to moral lending principles. These loans are typically given out to support business owners in underdeveloped nations that operate microenterprises. The production of baskets, stitching, street vending, and poultry farming are a few examples of micro-enterprises.

The microfinance sector has seen considerable growth and transformation in aspects such as consumer, technology and regulations over the last decade. Acting as an enabler in promoting the financial inclusion agenda, the microfinance industry – with a vision to foster economic and social development in the country – has played a key role in providing financial services to the underbanked and unbanked low-income groups and micro-credit to small and medium-sized businesses (SMBs). The microfinance industry in India has witnessed 80% growth in loan disbursements in Q1 FY 2022-23 compared to the previous year, with eastern and northeast India constituting 37% of the total non-banking financial companies-microfinance institution (NBFC-MFI) portfolio in the country as of November 2022. (Source: Next-gen microfinance: The role of digital technology, PwC)

NEW REGULATORY FRAMEWORK BY RBI

The Reserve Bank of India has issued Direction called Reserve Bank of India (Regulatory Framework for Microfinance) Directions, 2022 on March 14, 2022 which came into effect from April 1, 2022. The new Regulatory Framework was required to match the changing dynamics of the MFI sector.

Along with this, the RBI has also introduced the following guidelines applicable on the Company:

The RBI on April 11, 2022, issued circular for Compliance Function and role of Chief Compliance Officer (CCO) in relation to the Scale Based Regulatory (SBR) framework for NBFCs was put in place vide circular dated October 22, 2021.

Wide RBI Circulars dated April 19, 2022, the RBI gave the Loans and Advances – Regulatory Restrictions – NBFCs and disclosures in the Financial Statements which were in relation to the Scale Based Regulatory (SBR) framework for NBFCs.

The RBI on April 29, 2022, issued guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs in consonance of the Scale Based Regulatory (SBR) framework for NBFCs was put in place vide circular dated October 22, 2021.

The Company believes that the RBI's new regulations will provide a stronger framework with a level playing field for all lenders. Overall, the new framework is positive for NBFC-MFIs as there is a move towards self-regularization and harmonization. Company believes and follow policy of 100% compliance of all applicable norms and is complying with all above as well as existing applicable regulations in letter and spirit.

COMPANY OVERVIEW

Digamber Capfin Limited (“DCL”) is a Rajasthan's first RBI regulated Non-Banking Finance Company-Microfinance Institution (NBFC-MFI). The Company is primarily engaged in providing microfinance to low income households in India. The Company focuses its operations in 9 states (excluding Andhra Pradesh and Telangana) in India, has 199 branches in 111 districts and 1906 employees as on March 31, 2023. The core business of the Company is providing small value unsecured loans and certain other basic financial services to its Members (Individuals from low-income households who are clients of the Company are classified as “Members” and Members whose loans are outstanding are classified as “Borrowers”). The Company priorities these individuals who often have no, or very limited, access to loans from institutional sources of financing. The Company aims to bridge this gap by providing financial services at the doorstep of its members. The Members are predominantly located in rural areas in India and the Company extends loans to them mainly for use in small businesses or for other income-generating activities and not for personal consumption. In its core business, the Company follows a village-centric, group-lending model to provide unsecured loans to its members. This model relies on a form of ‘social collateral’, and ensures credit discipline through peer support within the group. The Company believes this model makes its members prudent in conducting their financial affairs and prompt in repaying their loans. Failure by an individual borrower to make timely loan repayments will prevent other Members in the group from being able to borrow from the Company in future. Therefore, the group will use peer support to encourage the delinquent Borrower to make timely repayments or will often make a repayment on behalf of a defaulting Borrower, effectively providing an informal joint guarantee on the Borrower's loan.

The Self-Help Group (SHG) concept has been prevalent in India for a few decades now. Under the SHG concept, NGOs help form groups of (mostly) women who are then, linked to a bank. The bank provides loan to the SHG. The SHG in turn, either distributes this amount within its members as smaller loans, or in some cases, the SHG undertakes a common business for which the bank loan is used as capital.

The demand for loans from these segments of people is very large and is not effectively serviced by the Bank-SHG linkages. This has led to the growth of MFIs who also undertake similar services.

FINANCIAL INCLUSION VIA DIGAMBER CAPFIN LIMITED

Microfinance allows people to take on reasonable small business loans safely, and in a manner that is consistent with ethical lending practices.

Unlike typical financing situations, in which the lender is primarily concerned with the borrower having enough collateral to cover the loan, DCL as a Micro-Finance Institution focuses on helping entrepreneurs succeed.

Despite the availability of these financial services, a major hindrance in microfinance institutes' paths is the lack of knowledge among the citizens about the basic fundamental concepts. The microfinance industry's lack of financial service is a challenge for both the customer and the institutions. This does not only eliminate people from joining the MFIs but also makes them financially excluded.

DCL is an institution, established **28 YEARS** ago and focusing only on microfinance business since 2009. Due to focus only on its core business i.e., microfinance, DCL has built its outreach in various rural & semi-rural areas. Keeping in the view above requirement, DCL has taken an initiative by way of designing products, specially based on requirement of lower income group. Details are as follows:

Our product spectrum

Stronger connect with existing customers through introduction of new products, in terms of need and ever-changing trends

"INDIVIDUAL MICRO LOAN"	
Beneficiary: ▪ Shopkeepers ▪ Small businesses ▪ Dairy work	The company lends to borrowers under 'Individual micro loan (IML)' products which are not covered under the JLG model. The loan is provided to both men and women with the ticket size of Rs. 60,000 to Rs. 1,00,000. We provide working capital loans to micro businesses for enabling of growth. By this we will be able to successfully solve the problem that was historically considered intractable in India.
"JOINT LIABILITY GROUP LOAN"	
FEATURES OF JLG Maximum NBFC-MFIs in India follow the JLG Model of lending because there is lesser risk of default in this model. In JLG Model generally there are 5 ladies form a group and around 20 ladies form a center. If in case any member of the group become defaulter in payment of installment, then the other members of the group need to pay the liability of that group member. All members are jointly required to execute loan document, making each one jointly and severally liable for repayment of all loans taken by all individuals belonging to the group. Members share liability and/or stand guarantor for each other. This ensures a greater effort on the part of members to ensure that everyone repays, thus ensuring resulting in better accountability and security for the MFI involved. Generally, all the members of the JLG are residing in the same village / compact area and not drawn from different / distant places and each group and center would have one leader resulting the leader fosters a sense of unity, oversees and maintains discipline, shares information and facilitates repayments. A regular meeting is hold for JLG members attended by all the members regularly to discuss issues of mutual interests. Further Members who have defaulted to any other formal financial Institution, in the past, are debarred from the Group Membership.	

1. PRODUCT-WISE PERFORMANCE

"We Believe in the future of agriculture, with a faith born not of words but of Deeds."

DCL's flagship product, 'JLG Model' continues to hold a dominant share in the organization's portfolio, constituting 96.48% of the total AUM. The product is for the economically active women residing in low-income areas, generally involved in trade and service. Based on their repayment behavior higher ticket size loans are offered in the second and subsequent cycles.

The other products cater to the male segment also of the market who normally conducts their business on a daily basis in the form of shops. The product was widely accepted in the market and made for a brisk business day by day. Total portfolio size of such types of products is 0.64 Crore as on March 31, 2023. These products are offered with differentiation in product features designed based on need of customer.

Further, 90.52% share of total AUM falls within the ticket size of loans of more than Rs. 30,000 but up to Rs. 60,000.

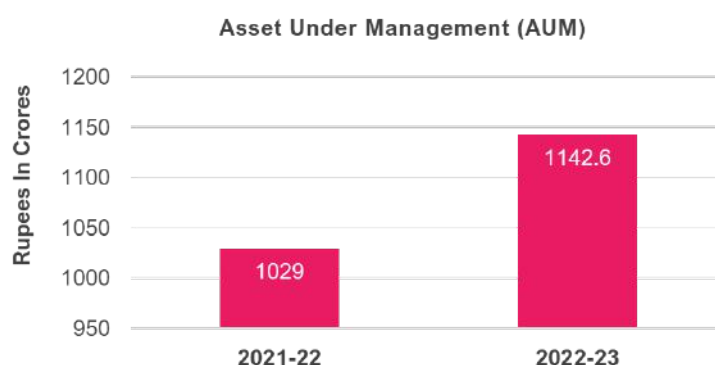
2. FINANCIAL PERFORMANCE

Despite the three shocks of COVID-19, Russian-Ukraine conflict and other adverse effects of the Global Economy, DCL thrived to combat these extremities and came out stronger. During the period under review, the customer base of DCL has increased.

The total revenue of the Company has increased approximately by 18.74% as compared to previous year.

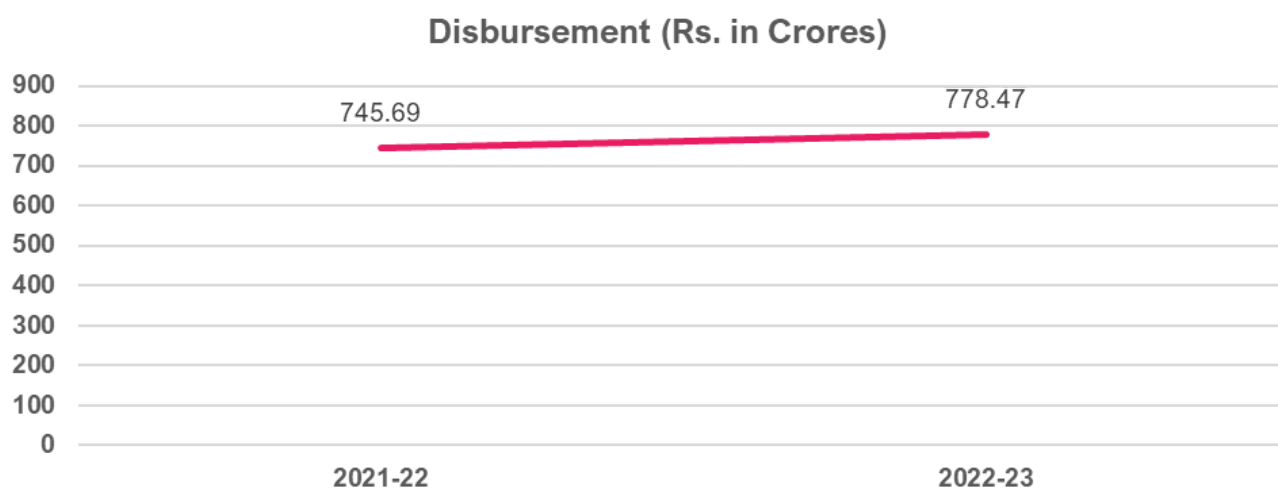
ASSETS UNDER MANAGEMENT (AUM)

The AUM of the company has grown by 11.04%. In the financial year 2022-23 the Company's AUM is Rs. 1142.60 Crores as compared to previous financial year 2021-22's AUM of Rs. 1029 Crores.



• DISBURSEMENT

The Company offers two types of loan to its customers namely, JLG and IML. During the financial year 2022-23 the company has disbursed loans of amount Rs. 778.47 Crores as compared to Rs. 745.69 Crores in the previous financial year 2021-22. The disbursement of the Company has increased by 4.40%.



• FUNDING SOURCE

The financial year 2022-23 saw the sustainable growth in the overall fund sources. As on 31st March, 2023, the Company has availed a bouquet of financial assistance from 16 banks and 11 financial institutions in the form of Cash Credit, Term Loan and Non-Convertible Debentures.

• COLLECTIONS EFFICIENCY

From an operational perspective, the Company aims for expanding its reach and driving consistently with improved collection efficiency. Our collection efficiency has improved and for the period under review, it is more than 97% in financial year 2022-2023.

3. HUMAN RESOURCES

“When people are financially invested, they want a return. When people are emotionally invested, they want to contribute. - Simon Sinek”

Human Resources Department in the Microfinance sector face a major challenge in acquiring resources with the right skills, aptitude and also on retention of the employee. The Company has set up a scalable recruitment and human resource management process, which enables to attract and retain high performing employees. The process ensures that the organization remains competitive in its human resources management policies and practices by actively seeking and developing best practices, methods and approaches.

During the Financial Year 2022-23, the total manpower stood at 1906 within 199 branches established in 9 states including head office. Out of this, 1230 staff constituting 64.53% of total staff is loan officers.

In line with its People Vision of ‘Opportunity for All’, the Company strived to embed a culture of empowerment across levels.

• A SUPPORTIVE WORK ENVIRONMENT AND CULTURE

A strong employee commitment is the foundation of enhanced customer experience. The Company has implemented a range of initiatives aimed at creating an environment that would help employees stay committed and succeed.

• INCENTIVE POLICY

The Company provides training to its entire field staff for achievement of set targets. Initiatives are taken by the Company to provide incentive to the existing Field officer/Branch in charge for providing training to new personnel recruited on the post of Field Officer. The Company has formulated "Field Officer Training Incentive Policy" to determine the Eligibility, Criterion and incentive amount and "Branch Staff Incentive Policy" for achieving their target & get rewarded with incentives.

• EMPLOYEES REFERRAL POLICY

The Company had formulated "Employees Referral Policy" to encourage existing employees to bring new talent and deserving employees in the company and the Company will provide referral money when any employees is joined the company from their reference.

4. DIGITALIZATION

Technology has now become an operational necessity not only for MFIs but for all types of institutions. In order to fully leverage the potential of technology, there is a need to make investments to build financial and digital literacy of their clients, so that clients become confident of undertaking cashless transactions.

As DCL is conducting cashless disbursement from the last 8-9 years, in the same way now company has introduced cash less collection as well. To provide ease of payment of EMIs to its customers, the Company is using the payment gateway services provided by Pay-U Payment Private Limited.

The Company has taken a number of digital initiative across all the lines of Business. We provide the facility of our customers of the Paytm and SBI Yono Merchant app to enable them to make hassle free payment.

The Company is already partnered with Finflux Technology. In sync with the 'Digital India' initiative, Conflux Technologies is enabling the usage of cashless economy. Its flagship product FINFLUX works seamlessly to help the customers to automate loan origination in a completely paperless fashion.

DCL uses "FINFLUX", a Core Banking system on a SaaS model that provides high scalability and security. Our data is hosted in a secure Amazon Web Services VPN environment featuring restricted access controls with all sensitive data being encrypted before storage. FINFLUX features intuitive workflows for data entry, robust process controls and integrations with credit bureaus like Highmark which enables Digamber to accurately model and track their operational processes within the system. FINFLUX dashboards and reports provide both operational and management insight into group/client on-boarding and disbursements and collections.

The Company is also planning to implement a system for providing acknowledgement for the receipt of loan application and complaints by the Company from its customers through a SMS-Facility.

Also, the Company is under the process for applying for AUA-KUA License from Unique Identification Authority of India (UIDAI) which shall make the procedure for granting of loans seamless.

FINFLUX ships with the facility to avoid paper-based records at each of these processes and sub-processes. These includes:

- Online Credit Checks with CIBIL, Equifax and Highmark and Experian.
- Electronic KYC document management
- Electronic loan document vault for sharing documents between branches or agencies
- Workflow based loan origination to route loan application through different roles and teams and locations
- Rule based risk assessment, customer profiling and eligibility checks
- Cashless disbursements and repayments – with optional maker-checker facility
- SMS confirmation for sanctions and disbursements and Instant SMS receipts for repayments.

By taking AUA-KUA License from Unique Identification Authority of India (UIDAI), the Company shall reap the following benefits:

- Verification of the Correctness of data of the borrower
- Reduces the danger of identity fraud and other security breaches
- Boosts customer/employee trust, as identity verification and data are safe
- Simplifies and eases user journey as the verification happens in an instant

Why this digitalization become blessing for the company

- Enabled instant credit bureau verification
- Reduced turnaround time for loan disbursements
- Improved data quality
- Reducing the instance of fake clients
- Enabled location-based field force task automation and geo-intelligence
- Enabled GPS based platform to avoid negative areas

5. IN HOUSE INTERNAL AUDIT DEPARTMENT

The Company has separate internal audit team with well-designed systems, policies and procedures to maintain financial & operational discipline. The Company's internal audit is initiated according to nature of DCL's business, size and complexity of operations. The Department has been established based on the guidelines received from the Reserve Bank of India for in house internal audit for better compliance at all levels.

This department is an independent function that ensures checks and evaluates operational risks, internal financial controls, and adherence to policies and procedures by conducting inspection of branches as well as head office. All operations are routinely tested & significant audit observations and follow-up actions thereon are firstly discussed in Risk Management Committee and thereafter reported in Audit Committee.

6. FINANCIAL PERFORMANCE ALONG WITH OPERATIONAL PERFORMANCE: -

A) PROFITABILITY PERFORMANCE

COMPARISON OF FINANCIAL YEAR 2022-2023 WITH FINANCIAL YEAR 2021-2022

Particulars	2022-23		2021-2022	
	Rs. in Lakhs	% to revenue	Rs. in Lakhs	% to revenue
Revenue from operation	25106.06	97.76%	21043.96	97.30%
Other Income	575.49	2.24%	583.89	2.70%
TOTAL REVENUE	25681.55		21627.84	
Employee Benefit Expenses	6533.97	25.44%	5209.82	24.09%
Depreciation & Amortization expenses	143.21	0.56%	90.85	0.42%
Administrative expenses	1448.29	5.64%	1058.59	4.89%
Provision for loan portfolio	-375.54	(-) 1.46%	1299.14	6.01%
Write off	4142.67	16.13%	2559.02	11.83%
Finance cost	8436.43	32.85%	6755.80	31.24%
Profit before tax	5352.52	20.84%	4654.62	21.52%
Tax expense	1411.27		446.49	
Profit after tax	3941.25	15.35%	4208.14	19.46%
Earnings per share:				
Basic	39.90		42.61	
Diluted	39.81		42.61	

B) BRIEF ANALYSIS OF SHAREHOLDERS WEALTH

Particulars	Units	2022-2023	2021-2022
Total revenue	Rs. in Lakhs	25681.55	21627.84
Increment over PY	%	18.74	8.38
PAT	Rs. in Lakhs	3941.25	4208.14
Increment over PY	%	(-)6.34	(-)17.44
EPS (Basic)	Rs. In Actual	39.9	42.61
Increment over PY	%	(-)6.36%	(-)17.44
EPS (Diluted)	Rs. In Actual	39.81	42.61
Increment over PY	%	(-)6.57	(-)17.44
Return of Equity	%	16.76	21.38
Increment over PY	%	(-)4.62	(-)11.59

A) OPERATIONAL PERFORMANCE

COMPARISON OF FINANCIAL YEAR 2022-2023 WITH FINANCIAL YEAR 2021-2022

Particulars	Units	2022-2023	2021-2022	Increase / Decrease %
State	No's	9	8	12.50
Branches	No's	199	183	8.74
Employees	No's	1906	2067	(-)7.79
Loan officers	No's	1230	1428	(-)13.87
Active borrowers	No's	393347	307901	27.75
New borrowers	No's	166177	254212	(-)34.63

TOTAL REVENUE In the financial year 2022-23, the total revenue has been increased by Rs. 40.54 Crores to Rs. 256.81 crores in financial year 2022-23 from 216.27 crores in financial year 2021-22. This growth is primarily due to an increase in AUM by 11.04% from Rs. 1029 Crore in Financial Year 2021-22 to Rs. 1142.60 Crores in Financial Year 2022-23.	PROFIT AFTER TAX Profit After Tax for the financial year 2022-23 was Rs. 39.41 Crores as compared to Rs. 42.08 Crores in financial year 2021-22.
PROVISION FOR LOAN PORTFOLIO The Company is always striving to maintain better portfolio quality. At the year-end Net NPA is 0.99%. The provision for loan portfolio has been created by the company as per IND AS.	WRITE OFF As per the report of Sa-Dhan, delinquency for 90 days & above is 8.47% whereas for DCL it is 2.95% which is considered to be very good as compare to industry data. DCL had written off its Loan assets of Rs. 41.43 Crore as on financial year 2022-23. Although our field staff is continuously working hard to re-collect this fund. Further till end of July we have recovered approx. Rs 2.81 Crore from that write off.
ADMINISTRATIVE EXPENSES The company is always striving to expand its Business. During the period under review, the Company has opened New branches in Various states due to which the Administrative expenses have increased.	EMPLOYEE BENEFIT EXPENSES There is an increase in Employee benefit expenses by Rs. 13.24 Crores from Rs. 52.10 Crore in Financial Year 2021-22 to Rs. 65.34 Crore in Financial Year 2022-23. The increase is caused due to the promotions & incentives given to employees as the Company believes that incentive/ promotions are key to retain good employees.
EARNING PER SHARE (EPS) The Company has written off bad loans during the year under review. This resulted in dilution of EPS of the Company.	

ANALYSIS OF ABOVE

Financial growth of company is more dependent on operational growth as well.

a) GEOGRAPHICAL COVERAGE

As depicted above, total number of branches in financial year 2022-23 was 199, as against 183 branches in the financial year 2021-22. The number of Branches have increased during the financial year 2022-23 in comparison of financial year 2021-22. Currently the Company is operating in Bihar, Rajasthan, Madhya Pradesh, Haryana, Himachal Pradesh, Punjab, Uttar Pradesh, Uttarakhand and Jammu & Kashmir.

b) HUMAN RESOURCES

The number of employees as on March 2023 had been 1906, as against 2067 in financial year 2021-22. The company invested in hiring good quality talent and people to prepare them for market challenges.

c) NEW BORROWERS

The number of new borrowers in financial year 2022-23 was 1,66,177, as against 2,54,212 in financial year 2021-22.

d) ACTIVE BORROWERS

The total number of active borrowers in financial year 2022-23 has increased to 393347 as against 307901 in financial year 2021-22. The total number of disbursements had been increased compared to previous year.

7. DETAIL OF KEY FINANCIAL RATIO AS ON MARCH-2023

S. No	Particulars	2022-23	2021-22	Change in %
1.	Interest Coverage Ratio	1.63	1.69	-3.55
2.	Current Ratio	1.34	1.42	-5.63
3.	Debt Equity Ratio	1.4	2.11	-33.65
4.	Operating Margin	69.93%	58.76%	19.01
5.	Net Profit Margin	15.40%	19.46%	-20.86
6.	Return On Equity/Return On Net Worth	16.76%	21.38%	-21.61
7.	Capital Adequacy Ratio	25.78%	24.64%	4.63
8.	Debtors Turnover Ratio*	NA	NA	-
9.	Inventory Turnover Ratio*	NA	NA	-

***Note: Being an NBFC-MFI, the Debtors Turnover Ratio and Inventory Turnover Ratio are not applicable on the company.**

The Return on Net worth has been decreased by the 21.61% in the financial year 2022-23. The change has occurred due to increase in Finance cost and write off of the bad loans during the year under review.

8. SECURITIZATION/ ASSIGNMENT

The Company has availed Rs. 136.19 Crores by way of direct assignment transactions and Rs. 45.02 Crores by way of Securitization transaction in the financial year 2022-23.

The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the Assignment Agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

9. NETWORK EXPANSION

With its comprehensive and unique solutions, the Company has converted substantial percentage of Trade Finance & Remittance transaction flow to Digital mode.

Branches are equipped with mix of technology and people to give our customers best-in-class finance services. We believe, this will have a significant impact in the coming years on business growth as well as networking with a larger potential customer base. As on March 31, 2023, we have funded 393347 customers belongs to various rural & semi-rural areas.

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10. DISCLOSURE OF ACCOUNTING TREATMENT

The Companies has prepared the financial statement in accordance with the prescribed accounting standard, accounting policies and applicable provision of company's act and Master Directions of the Reserve Bank of India.

11. STRATEGY OF COMPANY TO RUN THE BUSINESS AFFAIR

Effective risk management is of supreme importance for any business to thrive in a space mixed in volatility, uncertainty, complexity and ambiguity. The Company has achieved sustainable growth in such a challenging environment with its disciplined focus on operational excellence and risk management.

Our business strategy is framed to identify risks and possible challenges that may derail our journey to meet the goals. The Risk Management Committee of the Company strikes a balance between managing risks and capitalizing opportunities. Our response to identified risks includes acceptance, avoidance, transfer and mitigation.

Annexure “H”

STRATEGY 1: SUSTAIN BUSINESS GROWTH		
Where will the growth come from?	How to fund this growth?	How to manage this growth?
(1) New branches set up in existing states. (2) Creating existence in new states. (3) New states where we plan to enter in the coming years. In the last two years, company set up 34 branches in existing markets. It plans to extend its footprint deeper into the underserved districts and villages in the states of its presence.	The credibility earned as an ethical, trustworthy and transparent organization has drawn multiple lenders to fund its growth. The success is reflected in the fact that company mopped up Rs. 1406 crore in the last two years when the sector was plagued with unprecedented volatility.	A team of seasoned professionals, centralization of operations and robust IT-based processes helped disciplined management of growth. The Leadership Team has decentralized regular business operations to a strong middle management team and replaced manual processes with IT solutions that provides it with a bird's eye view of the business on a real-time basis; it also allows the Leadership Team the flexibility to course correct immediately when required.
22.00% CRAR OF DISBURSEMENT FOR 7 YEARS		
STRATEGY 2: SUSTAIN QUALITY GROWTH		
Service is critical to quality growth.	Knowledge is essential for process adherence	Adequate checks-&-balances is essential for plugging the gaps
Speed in disbursement is essential for attracting customers. The Company's IT-based on-boarding solution and cashless disbursement practice have enhanced the speed of service and significantly improved the asset quality.	Rigorous training is fundamental to process adherence. The Company provides training to its entire field staff for achievement of set targets. Initiative is taken by the Company to provide incentive to the existing Field officer/ Branch in charge for providing training to new personnel recruited on the post of field officer. The Company has formulated "Field Officer Training Incentive Policy" to determine the eligibility, criterion and incentive amount.	In this people-dominated business, timely checks-and-balances assist the person and the company to stay the course. Over the years, the Company has continued to strengthen its audit coverage to ensure that every material transaction and business initiative is thoroughly examined. The Company has separate internal audit team with well-designed systems, policies and procedures to maintain financial & operational discipline.
NPA AS ON MARCH 31, 2023 2.95% GROSS NPA & 0.99% NET NPA		
STRATEGY 3: IMPROVE PROFITABLE GROWTH		
Controlling cost of funds	Optimizing operational costs	Checking provisioning & bad debt
Managing the coupon rate while securing funds is crucial. Continuous widening of the lender base and increasing diversification among the lender category enables company to procure funds at better costs. Prudent cash and debtor management improve liquidity.	The Company acknowledges that it is important to find a balance between reducing costs and maintaining the quality of the service or product offered. Increasing focus on digitizing day-to-day business processes and continuing analysis of the market practices helped in optimizing operational costs.	Superior collection efficiency reduces provisioning and bad debts. Focus on collections by the operational team, stringent monitoring of cash collection at the branch helps in minimizing the incidence of provisioning and bad debts.
PAT MARGIN AS ON MARCH 31, 2023 15.40%		
STRATEGY 4: UPHOLD REPUTATION		
Earn the trust of customers and employees	Secure data to enhance the brand image	Take care of the community at large to earn respect
The Company finds its biggest endorsement in the satisfaction of its customers and the success of its people. The Company has, over the years, built the reputation of an honest business house by upholding transparent practices. For employees, the Company is a place that always encourages every individual to pursue his professional as well as personal goals. It believes in development of its human capital so that a smarter workforce can create a smarter organization.	As a proactive organization, company has invested in the requisite solutions for securing its systems, architecture and data from external threats. It has institutionalized adequate and appropriate mitigation strategies that prevent leakage of vital data.	The Company believes in making a difference to people at large. It continues to invest mind, time and funds to uplift lives of the people of community through meaningful interventions in critical areas such as education, health and hygiene and livelihood. The Company implements programmes across the Indian landmass to provide hope to the underprivileged. These initiatives have earned company considerable respect among the rural masses as a mindful and helping organization.

FUNDING STRUCTURE

Diversified borrowing structure & continue introduction of new lenders is a testimony of the faith of investors and lenders over the organization

12. DIVERSIFIED FUNDING

In order to reduce dependence on a single lender, the Company has adopted multiple banking arrangements. None of the lender has borrowing proportion more than 25% as on 31st March, 2023.

The Company meets the requirements of PSL guidelines and regularly accesses bank financing that qualifies as PSL. With the quarterly compliance on PSL reporting for banks, the seasonality in funding is reduced and ensures credit flow to the MFI sector on a regular basis throughout the year.

During the period under review, the Company has raised Rs. 539.21 Crores from various lenders in the form of loan/ DA/ PTC.

DEBT FUNDING

Growing organizations such as DCL are in constant need of fund to expand their business, meet working capital needs, or make optimal use of business opportunities. Business loans, either from traditional sources like PSUs or from private banks or FIs/ NBFCs can provide an optimal solution to meet such financial requirements.

Where appearance of PSUs establishes comfort level for other lenders, private lenders in comparison are catering huge demand due to their simple and speedy loan disbursal process.

The Company has also entered into an agreement with foreign lender IIV Mikrofinanzfonds, a close ended credit fund organized and existing under the laws of Germany, represented by HANSAINVEST Hanseatische Investment-GmbH, Germany for availing External Commercial Borrowings (ECB) facility of € 5,000,000 (Euro Five Millions Only).

As on 31st March, 2023, the Company has 27 lenders with mixture of public sector banks, private banks, financial institutions & NBFCs.

Details are as follows:

BANKS	NBFCs/ FIS	Borrowing Instrument Mix
Public Sector Banks 1. State Bank of India 2. Punjab National Bank 3. UCO Bank 4. Bank of Baroda 5. Indian Bank 6. Union Bank of India 7. Bank of India 8. Canara Bank 9. Indian Overseas Bank Private Sector Banks 1. IDFC First Bank Limited 2. Bandhan Bank 3. Jana Small Finance Bank 4. Kotak Mahindra Bank 5. Federal Bank 6. SBM Bank 7. IDBI Bank	Financial Institutions (FIs) 1. Hinduja Leyland Finance Limited 2. Manaveeya Development & Finance Private Limited 3. Nabsamruddhi Finance Limited 4. Nabfins Limited 5. Nabkisan Finance Limited 6. Small Industries Development Bank of India (SIDBI) 7. Kissandhan Agri Financial Services Private Limited 8. National Bank for Agriculture and Rural Development (NABARD) 9. Cholamandalam Investment and Finance Company Limited 10. Mahindra & Mahindra Financial Services Limited 11. MAS Financial Services Limited	■ TL ■ DA/PTC ■ OD/CC

13. RATING & GRADING

COMPREHENSIVE MFI GRADING/ RATING & COCA ASSESSMENT

COCA Assessment	M2C1 <i>"M2" signifies high capacity of the organization to carry out its activities in a 'sustainable manner'. As per CARE grading rational company have sound management, good portfolio quality, standard operating processes, diversified operations and management information system.</i> <i>"C1" signifies excellent performance on COCA dimensions.</i>	
	Name of the Credit Rating Agency CRISIL Ratings Limited	
Bank loan Rating	Date on which the Credit Rating was obtained Bank Loan Facilities: March 24, 2023 Non-Convertible Debentures: March 03, 2023	
	Credit Rating Bank Loan Facilities: <u>Long Term:</u> CRISIL BBB/ Stable <u>Short Term:</u> CRISIL A3+. Non-Convertible Debentures: CRISIL BBB/ Stable	

14. STRENGTHS AND OPPORTUNITIES

STRENGTHS

- **Experienced & Professional Management Team**

The Company is promoted by two professionally qualified first generation entrepreneurs, Mr. Rajiv Jain and Mr. Amit Jain. Both have a diversified experience in finance industry of more than 28 years. Further, the Board of Directors of the Company consists of mixture of Executive, Non-Executive, Independent and Nominee Directors, well qualified and efficient in their fields to provide leadership and strategic guidance, objective judgment, independent of management to the company and exercise control over the Company.

- **Internal accruals**

Internal accruals forming part of tier I capital of the Company is Rs. 37.09 Crores (Previous Year 55.94 Crores).

- The growth is mainly attributable to strategy of aggressive penetration in existing markets and expansion into newer regions and the ability of the company to infuse capital and funds from banks and FIs to fund the growth plans. As on March 31, 2023, the Company has 393347 active members managed through 199 branches (Individual & JLG) with total AUM of Rs. 1142.60 Crores.

- **Comfortable CRAR well above statutory requirement of 15%**

With improvement of Tier-I CRAR and Tier-II CRAR, the Company's overall CRAR substantially up to 25.78% as on March 31, 2023, well above from statutory requirement of 15%.

- **Diversified Portfolio by Product & Geography**

The loan portfolio of the Company is fully diversified with concentration in 9 states comprised of 199 branches with 111 districts as on March 31, 2023. The Company has increased branch network in geographies like Rajasthan, Madhya Pradesh, Haryana, Uttarakhand, Punjab, Himachal Pradesh, Jammu and Kashmir & Uttar Pradesh and likely to increase going ahead.

- **Strong assets quality with low delinquency**

Majority of lending of the Company is to JLG segment wherein the loans are unsecured in nature. Despite unsecured nature of loans, DCL has been able to maintain good asset quality over the years by collecting repayments on time. As on March 31, 2023, Gross NPA% stood at 2.95% and Net NPA% at 0.99%.

OPPORTUNITIES

- Regulatory environment
- 70% of the Indian population lives in rural area, so there is a huge opportunity for the Company to meet the demand of these unserved/ underserved section
- Ability to recruit & retain skilled employees.
- Introducing new services
- Market linkages
- Availability of ample funds
- Huge population below Poverty line.

15. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company was 25.78% as of March 31, 2023 as against the minimum capital adequacy requirements of 15% by RBI.

16. MEMBERSHIP OF SA-DHAN

A. OVERVIEW

The industry associations/ Self-regulatory organization (SRO) are expected to facilitate compliance by the Non-Banking Financial Companies that are engaged in microfinance with the regulations and code of conduct and function in the best interest of the customers of the NBFC-MFIs. The membership of NBFC-MFIs in the industry association/SRO will be seen by the trade, borrowers and lenders as a mark of confidence.

B. MEMBERSHIP OF DCL IN SADHAN

Although RBI has not mandated membership of SRO for NBFC MFIs but for more borrower protection and education, monitoring, DCL has taken membership of SA-DHAN w.e.f 15.12.2017 wide Membership No. 0350. Membership of SRO ensures better governance, monitoring and compliance with the regulatory framework put in the place by the Reserve Bank of India.



C. ADOPTION OF CODE OF CONDUCT PRESCRIBED BY SA-DHAN IN ASSOCIATION WITH MFIN

During the year it is observed that it is important to have well defined core values and adopt fair practices to ensure that services provided by the company are in manner that benefits clients, and is ethical and dignified. For having better quality of services, transparency in the working and to ensure that all practices related to lending and recovery of loans are fair, there is a need to adopt well defined code of conduct policy.

Further, Sa-Dhan is association of community development finance institution, working for more than one and half decades in supporting and strengthening the agenda of financial inclusion and recently recognized by the RBI as Self-Regulatory Organization (SRO) for the Microfinance Sector. Sa-Dhan has published its edition of code of conduct named "MFI Industry Code of Conduct – 2015" in association with MFIN especially for Micro finance industry. So, with the approval of Board of directors in its meeting dated Thursday, April 28, 2016 DCL has adopted code of conduct prescribed by the Sa-Dhan in association with MFIN named "MFI Industry Code of Conduct – 2015"

Also, the Board of Directors of the Company has adopted Sa-Dhan's Code of Conduct-October 2022 in the Board Meeting held on May 29, 2023.

17. APPROACH

SOCIAL APPROACH

DCL believes that access to basic financial services can significantly augment economic opportunities for poor families and in turn help improve their lives. The Company is committed towards creation of a distribution network across underserved/ un-served sections of society in order to provide easy access to the full portfolio of microfinance products and services. It also looks at using this network to add value to the lives of its members by providing quality services that our members need at less than market rates.

We at DCL believe that our members have a voice. Being committed to our members, we listen, understand and act on what they say. While our business manager meets our members and interacts with them frequently, DCL routinely checks and tracks its service quality through various initiatives focused on capturing the thoughts and needs of our members. Our member origination and servicing efforts strategically focus on building long-term relationships with them and address specific requirements in a particular region.

18. RISK MANAGEMENT

DCL has implemented a risk management framework commensurate to its size and quantum of operations to manage various risks including Credit Risk, Market Risk, Interest Rate Risk, Foreign Exchange Risk, Operational Risks, etc. We have a robust Risk Management and Internal Controls system to identify, assess, monitor and manage all of these risks in accordance with well-defined policies and procedures. Committees of the Board of Directors have been constituted to oversee various risk management activities. The Risk Management Committee of DCL Board of Directors meets once every quarter and reviews risk management policies in relation to various risks including portfolio, liquidity, interest rate, and operational risks, investment policies and strategy, and regulatory and compliance issues in relation thereto.

Key risk events (both potential and actual) were identified for all departments with possible causes, frequency of occurrence, evidence of occurrence, existing control measures and effectiveness of the control measures for each of the risk events. Key Risk Indicators (KRIs) were finalized for each department for areas identified as high risk. Risk threshold breaches of the KRIs are discussed with the respective functional heads and corrective action plans documented for future review.

▪ Credit Risk

Risk of non-repayment of loans by customers is one of the primary risks faced by the Company. The joint liability framework provides the basic risk mitigation where the other members in the group take active role in credit screening and monitoring credit behavior of other customers apart from providing credit guarantee.

Non-payment may be triggered by either excessive borrowing by clients due to multiple MFIs offering loans as also borrowing from other sources, due to health-related issues and due to natural calamities, such as floods etc. MFIs without sound operational risk management process and not following prudent lending practices can cause problems.

DCL considers all other borrowings of clients, need for funds for productive purposes and the bonding with the rest of the group members, before extending loan which is further reinforced through group guarantees. In addition, with the full rollout of the credit bureau initiative, over-borrowing has been effectively curtailed. Against the regulatory requirement of all NBFC-MFIs being required to provide their data base to the Credit Bureau's once a month. This helps to ensure that the data with the bureaus are of as late a vintage as possible, preventing multiple borrowings slipping through the gaps.

▪ Operational Risk

Risk due to inadequate or failed internal processes, people or systems could cause loss to DCL. Micro finance, given its small ticket size is transaction-intensive. These transactions are handled by large number of employees spread over 184 branches in 8 states. Further the disbursement to borrowers were done through electronic fund transfer also the cash disbursement interested borrowers were encouraging to open bank accounts. But collections from borrowers are done by way of cash, increasing the operational risk. Under the circumstances it becomes critical to have sound risk management practices, but company has taken cash insurance from one of the reputed insurance company.

The DCL has put in multi-layered checks and controls over key client interface processes. While it would be impossible to prevent staff from committing frauds, the approach of the Company is to put in place robust controls to shorten the gap to the minimum between an employee's wrong action and its detection. Each field level process conducted by the staff is scrutinized through multiple levels of risk oversight. Further the Company also constantly upgrades its control processes based on analysis of failed processes. The Company's robust controls are well reflected in almost negligible instances of breach of control. The control parameters of the Company are generally held as benchmarks in the MFI sector globally and the Company continues to fine-tune the same based on experience

▪ Market Risk

Liquidity Risk: Given the sensitive nature of the sector, the funding by banks is closely linked to the overall image of the sector as well as the regulatory environment. Any change in these factors could affect the overall liquidity position of the Company. Also, excess liquidity carry leads to negative carry on the surplus cash as the yield on short term investment is always lower than borrowing cost. The Company has internal guidelines on the quantum of excess liquidity which is a balance between the need for liquidity and reducing the cost of negative carry on excess liquidity.

19. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

For and on behalf of the Board of Directors of
Digamber Capfin Limited

Date: 29.08.2023
Place: Jaipur

-sd-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

-sd-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

ANNEXURE- I

PARTICULARS OF EMPLOYEES

[Pursuant to Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The remuneration of each Director/ KMP of the Company for the FY 2022-2023 is specified below:

Sr. No	Name of Director/ KMP	Designation	Total Remuneration for the FY 2022-23 (in Rs.) Per Annum*	% Increase or Decrease in Remuneration Paid in FY 2022-23 as compared to FY 2021-22	Ratio of Remuneration of each Directors to the Median Remuneration of the Employee
1	Mr. Rajiv Jain	Chairman cum Managing Director	340.00	5.29%	310.28
2	Mr. Amit Jain	Whole Time Director cum CFO	340.00	5.29%	310.28
3	Mr. Nayan Ambali*	Non-Executive Director	0.77	28.64%	0.70
4	Mr. Jatin Chhabra*	Non- Executive Director	0.98	(-) 7.34%	0.89
5	Mr. Shashank Vyas*	Nominee Director	0.07	Not applicable	0.06
6	Mr. Lalit Kumar Jain*	Independent Director	1.05	4.77%	0.92
7	Dr. Amita Gill*	Independent Director	0.77	206.65%	0.70
8	Mrs. Neha Agarwal	Company Secretary and Compliance officer	3.00	-	2.74

*The Non-Executive Directors of the Company are entitled for sitting fees and reimbursement of expenses for attending meetings and the same are within the prescribed limits as per statutory provisions. There was no revision in sitting fee during the F. Y. 2022-2023. The detail of sitting fees of Non-Executive Directors is provided in the Corporate Governance Report which is part of this Director's Report. Besides, the overall increase/decrease in the sitting fee paid compared to previous year is also due to number of meetings attended by them.

2. Remuneration provided above are in proportion to their tenure in the Company.

3. Ratio of remuneration of each Directors to the median remuneration of the Employee is calculated on basis of Cost to Company.

4. Since the remuneration of Mr. Shashank Vyas is only for the part of the current year/previous year the ratio of their remuneration to median and increase in remuneration is not comparable.

5. There has been decrease of 11.87% in the median remuneration of Employee.

6. There were 1908 Employees on the rolls of the Company as on 31st March, 2023

7. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy adopted /amended by the Company. The Policy is placed on the website of the Company at <https://www.digamberfinance.com/code.php>

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

1. Average percentage increase in remuneration of employees excluding Managerial Personnel: 17.63%
2. Average percentage increase in remuneration of Managerial Personnel: 5.29 %

Annexure "I"

9. Increase in the Managerial Remuneration and justification thereof: The remuneration paid to Mr. Rajiv Jain, Chairman & Managing Director and Mr. Amit Jain, Whole time Director cum CFO which includes commission.

10. There was no employee during the year drawing remuneration in terms of Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board of Directors of
Digamber Capfin Limited

-sd-

Rajiv Jain

Chairman and Managing Director
(DIN - 00416121)

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Lalit Kumar Jain

Independent Director
(DIN- 07517615)

Date: 29.08.2023

Place: Jaipur

ANNEXURE- J

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, **Rajiv Jain**, Chairman cum Managing Director of Digamber Capfin Limited hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2023.

Digamber Capfin Limited

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Rajiv Jain

Chairman and Managing Director
(DIN - 00416121)

Place: Jaipur

Date: 29.08.2023

INDEPENDENT AUDITOR'S REPORT

ON THE STANDALONE IND AS FINANCIAL STATEMENTS

To
The Members of

Digamber Capfin Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Digamber Capfin Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matters	Auditor's Response
1.	Impairment of Loans -Expected Credit Loss (ECL) Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans & Advances using the Expected Credit Losses ("ECL") approach. In the process, a significant degree of judgement has been applied by the management for calculation of Expected Credit Losses ("ECL")	Our audit procedures are as under: • Considered the Company's accounting policies for impairment of loans and receivables and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • We have checked the stage classification as at the balance sheet date as per definition of default of the company;

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as identified above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 Standalone 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 Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial Statements, 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.

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

Report on Other Legal & Regulatory Requirement

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** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by the Non-Banking Finance Companies Auditors Report (Reserve Bank) Directions, 2016, we give in the **Annexure-B**, statement on the matters specified in the order, to the extent applicable.

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

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

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

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-C**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.

g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses.

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 that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) 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 the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

INDEPENDENT AUDITORS' REPORT

- v. The company has neither declared nor paid any dividends during the year under audit.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under clause 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

For KALANI & COMPANY
Chartered Accountants
FRN- 000722C

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[Gaurav Rawat]
Partner
M.No.-412724
UDIN: 23412724BGWGNI5136

Place of Signature: Jaipur
Dated: 29th May, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our audit report to the Members of Digamber Capfin Limited on the Standalone Financial Statements for the year ended 31st March, 2023 we report that,

i. Based upon the audit procedures performed and the information & explanations given by the management, in respect of the Company's Property, Plant and Equipment and Intangible Assets:

a.

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment,

B. The company is maintaining proper records showing full particulars of intangible assets,

b. The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets every year. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification,

c. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company,

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

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of inventory:

a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b. The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Based upon the audit procedures performed and the information & explanations given by the management, the quarterly returns or statements filed by the company with such banks or financial institutions are not in agreement with the books of account of the Company and same is disclosed by the company in Note 51 of the Financial Statements.

iii. In respect of any guarantee or security or loans or advances

a. The Company is engaged in principal business of lending loans, hence reporting under clause (iii)(a) is not applicable.

b. Based upon the audit procedures performed and the information & explanations given by the management; investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

c. In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated through various loan agreements entered with customers. Generally, repayments or receipts are regular except irregularity in some cases. Details of loans which are irregular as at 31.03.2023 are as under:-

Irregularity	Number Of Accounts	Amount Involved (in Rs.)	
		Irregular Dues	Total Dues
Stage -1	448342	34,90,737.66	8,84,28,79,024.61
Stage -2	7639	1,85,08,283.82	11,59,87,107.80
Stage -3	34076	13,95,28,493.90	27,20,45,388.17
Total	490057	16,15,27,515.38	9,23,09,11,520.58

d. The total amount overdue for more than ninety days is Rs. 2720.454 lakhs, and based upon the information & explanations given by the management, reasonable steps have been taken by the company for recovery of the principal and interest.

e. The Company is engaged in principal business of lending loans, hence reporting under clause (iii) (e) is not applicable.

f. Based upon the audit procedures performed and the information & explanations given by the management, 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 Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

iv. The Company is engaged in principal business of lending loans, hence reporting under clause(iv) is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of undisputed statutory dues,

- Based upon the audit procedures performed and the information & explanations given by the management, the Company has been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.
- There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.

viii. Based upon the audit procedures performed and the information & explanations given by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In respect of default in repayment of borrowings,

- Based upon the audit procedures performed and the information & explanations given by the management, the Company has defaulted in following repayment of loans or other borrowings or in the payment of interest thereon to any lender:

b. Based upon the information & explanations given by the management, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. Based upon the audit procedures performed and the information & explanations given by the management, term loans were applied for the purpose for which the loans were obtained.

d. Based upon the audit procedures performed and the information & explanations given by the management, the Company has not utilized any fund raised on short-term basis for long term purposes during the year or in the immediate recent past.

e. According to the information & explanations given by the management, the Company do not have any subsidiaries, associates, joint ventures and hence reporting under clause 3(ix)(e) of the Order is not applicable.

f. The Company do not have any subsidiaries, associates, joint ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable.

x. In respect of issue of securities (including Debt securities),

a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any right issue to existing shareholders of equity shares, hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. In respect of fraud,

a. No fraud by the Company has been noticed or reported during the year. However, fraud on the company amounting to Rs. 2.22 lakhs on account of fraud by employees has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c. 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 and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In respect of Internal audit system,

- a. The company has an internal audit system commensurate with the size and nature of its business
- b. Reports of Internal Auditors are duly received and considered by us during the year under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company, hence reporting under clause 3(xv) of the Order is not applicable.

xvi. In respect of RBI regulation,

a. The company is required to be registered with RBI. The company is registered as non-deposit taking Systematically Important Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act 1934 vide certificate number B-10.00099,

b. The company is a registered NBFC, with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, hence reporting under the clause 3(xvi)(b) of the Order is not applicable

c. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c)(d) of the Order is not applicable.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year, hence reporting under clause(xvii) is not applicable.

xviii. There is no resignation of statutory auditor during the year under review, hence reporting under clause (xviii) is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of 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. In respect of Corporate Social Responsibility there is no unspent amount, accordingly clause (xx) is not applicable.

xxi. The Company is not required to prepare consolidated financial statements, hence reporting under clause (xxi) is not applicable.

For KALANI & COMPANY
Chartered Accountants
FRN- 000722C

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[Gaurav Rawat]
Partner
M.No.-412724
UDIN: 23412724BGWGN15136

Place of Signature: Jaipur

Dated: 29th May, 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

For the Year Ended on 31st March 2023

(Referred to in Para 2 'Report on other Legal and Regulatory Requirements' in our report of even date)

- i. That the Company is entitled to continue to hold Certificate of Registration in terms of its assets/income pattern as on March 31, 2023.
- ii. That the Company meets the requirement of a net owned fund as laid down in Master Direction - Non- Banking Financial Company, Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendments thereafter, where applicable.
- iii. The Board of Directors of the Company has passed a resolution for non -acceptance of any public deposits.
- iv. The company has not accepted any deposits from public during the financial year 2022-23.
- v. The Company has complied with the prudential norms relating to the income recognition, accounting standards, assets classifications and provision for bad and doubtful debts as applicable to it in terms of Non- Banking Financial Company -Systemically Important Non -Deposit taking Company (Reserve Bank) Directions, 2016 subject to applicable and amendments thereafter.
- vi. The capital adequacy ratio as disclosed in the return submitted to the Bank (form DNBS03) in terms of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 has been correctly determined and such ratio is in compliance with the minimum CRAR prescribed therein.
- vii. The Company has furnished to the bank the annual/quarterly statement of capital funds, risk assets/exposure and risk asset ratio (Form DNBS03) within the stipulated period.
- viii. The Company is correctly classified under Non-Banking Financial Company as NBFC-Micro Finance Institutions (MFIs) as defined in the Non-Banking Financial Company -Systemically Important Non -Deposit taking Company (Reserve Bank) Directions, 2016 with reference to the business carried on by it during the financial year i.e. 2022-23.

For KALANI & COMPANY

Chartered Accountants
FRN- 000722C

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[Gaurav Rawat]

Partner

M.No.-412724

UDIN: 23412724BGWGN15136

Place of Signature: Jaipur

Dated: May 29, 2023

ANNEXURE C OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 3(f) under 'Report on other Legal & Regulatory Requirements' Section of our Report for the year ended 31 March 2023)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of Digamber Capfin Limited ("the Company"), as of 31 March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Controls with reference to Standalone Financial Statements 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to Standalone Financial Statements 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 authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Standalone Financial Statements future periods are subject to the risk that the Internal Financial Controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for Internal Controls with reference to Standalone Financial Statements 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 KALANI & COMPANY

Chartered Accountants

FRN- 000722C

-sd-

[Gaurav Rawat]

Partner

M.No.-412724

UDIN: 23412724BGWGN15136

Place of Signature: Jaipur

Dated: May 29, 2023



Financial Statement

2022- 2023

As at 31st March 2023

Digamber Capfin Limited

Registered office : J-54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road Jaipur, Rajasthan - 302018

CIN : U67120RJ1995PLC009862 Website : www.digamberfinance.com

Tel- 0141-2700233-234 Email: info@digamberfinance.com

Standalone Balance Sheet As at 31st March, 2023

			(₹ in lakhs)
Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I. ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	3,798.32	6,998.74
(b) Bank Balance other than Cash and Cash Equivalents	3	503.96	910.39
(c) Receivables			
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(d) Loans	4	90,368.52	74,614.92
(e) Investments	5	587.62	559.91
(f) Other Financial Asset	6	9,251.30	10,261.07
Total Financial Assets		1,04,509.72	93,345.03
(2) Non-financial Assets			
(a) Current Tax Assets (Net)	7	-	-
(b) Deferred tax Assets (Net)	8	-	-
(c) Property, Plant and Equipment	9	3,395.80	3,429.74
(d) Right of Use Assets	10	57.05	-
(e) Capital Work in Progress	11	384.53	25.96
(f) Other Intangible Assets	12	7.94	9.30
(g) Other Non-Financial Assets	13	77.70	115.94
Total Non-financial Assets		3,923.02	3,580.94
Total Assets		1,08,432.74	96,925.97
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
(I) Trade Payables	14		
i) Total Outstanding dues of Micro Enterprises and Small Enterprises		8.51	6.79
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2.87	3.51
(II) Other Payables			
i) Total Outstanding dues of Micro Enterprises and Small Enterprises		5.58	-
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		0.10	0.92
(b) Debt Securities	15	2,548.91	2,545.50
(c) Borrowings (Other than Debt Securities)	16	75,716.16	70,351.38
(d) Subordinated Liabilities	17	2,508.81	1,507.82
(e) Lease liabilities	18	58.75	-
(f) Other Financial Liabilities	19	2,877.53	2,088.75
Total Financial Liabilities		83,727.21	76,504.67
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	7	320.92	32.04
(b) Provisions	20	298.01	138.05
(c) Deferred tax Liabilities (Net)	8	167.50	453.87
(d) Other Non-Financial Liabilities	21	248.13	125.29
Total Non-Financial Liabilities		1,034.56	749.24
Total Liabilities		84,761.77	77,253.92
(3) EQUITY			
(a) Equity Share Capital	22	987.69	987.69
(b) Other Equity	23	22,683.27	18,684.36
Total Equity		23,670.97	19,672.05
Total Equity and Liabilities		1,08,432.74	96,925.97

Significant Accounting Policies	1
The notes forming integral part of the financial statements	2-111

In terms of our report of even date

For and on behalf of the board

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
Rajiv Jain
Chairman and Managing
Director
(DIN - 00416121)

Sd/-
Neha Agarwal
Company Secretary
(PAN - ARAPA6810B)

Sd/-
Gaurav Rawat
Partner
M.No. 412724

Sd/-
Amit Jain
Whole Time Director & Chief
Financial Officer
(DIN - 00416133)

Sd/-
Lalit Kumar Jain
Independent
Director
(DIN- 07517615)

Date: May 29, 2023
Place: Jaipur
UDIN: 23412724BGWGN15136

Digamber Capfin Limited

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Statement of Standalone Profit and Loss Account for the period ended 31st March, 2023

				(₹ in lakhs)
	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
	Revenue from Operations:			
(i)	Income	24	23,108.58	16,917.52
(ii)	Net Gain/(Loss) On Fair Value Changes	25	27.71	44.02
(iii)	Net Gain on Derecognition of Financial Instruments under Amortized Cost Category	26	1,969.77	4,082.42
I	Total Revenue from operations		25,106.06	21,043.96
II	Other Income	27	575.49	583.89
III	Total Income (I+II)		25,681.55	21,627.84
IV	Expenses:			
	Finance Costs	28	8,436.43	6,755.80
	Impairment on Financial Instruments	29	3,767.13	3,858.16
	Employee Benefits Expense	30	6,533.97	5,209.82
	Depreciation & Amortisation Expense	31	143.21	90.85
	Other Expenses	32	1,448.29	1,058.59
	Total Expenses		20,329.03	16,973.22
V	Profit/(Loss) before Exceptional Items & Tax		5,352.52	4,654.62
VI	Exceptional Items		-	-
VII	Profit/(Loss) Before Tax		5,352.52	4,654.62
VIII	Tax Expense:			
	Current Tax	33	1,665.64	1,015.09
	Deferred Tax	33	(291.08)	(568.61)
	Income Tax for Earlier Year		36.71	-
	Total Tax Expenses (VIII)		1,411.27	446.49
IX	Profit/(loss) for the period		3,941.25	4,208.14
X	Other Comprehensive Income			
	(A) Items that will not be reclassified to profit or loss			
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		18.73	(5.68)
	- Income Tax on above		(4.71)	1.43
	Subtotal(A)		14.01	(4.25)
	(B) Items that will be reclassified to profit or loss			
	- Income Tax on above			
XI	Total Other Comprehensive Income for the period (A+B)		14.01	(4.25)
XII	Total Comprehensive Income for the period		3,955.26	4,203.89
XIII	Earnings per Equity Share (for Continued Operation):			
	Basic (in ₹)	34	39.90	42.61
	Diluted (in ₹)		39.81	42.61
	Paid-up Equity Share Capital		987.69	987.69
	Face Value of Equity Shares		₹ 10 each	₹ 10 each

Significant Accounting Policies	1
The notes forming integral part of the financial statements	2-111

In terms of our report of even date

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Standalone Statement of Cashflows for the period ended 31st March, 2023

				(₹ in lakhs)
Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
A Cash flow from operating activities:				
Net profit before tax as per statement of profit and loss		5,352.52		4,654.62
Adjustment to reconcile profit before tax to net cash flow:				
Remeasurement Gains/(Losses) on Defined Benefit Plans	18.73		(5.68)	
Depreciation & Amortisation	143.21		90.85	
(Reversal)/Provision for Expected Credit Loss (ECL)	(375.54)		1,299.14	
Interest on Fixed Deposit	(305.23)		(413.70)	
Fixed assets written-off	-		-	
Interest on income tax refund				
Share Based Payment to Employees	43.66			
Fair Value change of Investments	(27.71)		(44.02)	
Net gain on sale of current investments				
Profit/Loss on sale of assets	-		-	
Interest on borrowing and leases				
Finance Cost	8,436.43		6,755.80	
Impairment on financial instruments				
		7,933.54		7,682.39
Operating profit before working capital changes		13,286.06		12,337.01
Adjustment for				
(Increase)/decrease in trade receivables	-			
(Increase)/decrease in loans	(15,378.07)		(19,580.77)	
(Increase)/decrease in other financial assets	1,009.76		(3,055.69)	
(Increase)/decrease in non financial assets	38.24		(1.84)	
Increase/(decrease) in other financial liabilities	156.42		(155.23)	
Increase/(decrease) in other non financial liabilities	122.84		94.05	
Increase/(decrease) in trade and other payables	5.82		11.23	
Increase/(decrease) in provisions	159.96		133.50	
Total of changes in working capital		(13,885.01)		(22,554.76)
Income Tax Paid		(1,413.48)		(1,282.52)
Net Cash from Operating Activity (A)		(2,012.43)		(11,500.26)
B. Cash Flow from Investing Activity				
Purchase of property, plant and equipment and intangible assets(including in progress assets)	(523.53)		(212.58)	
(Purchase)/Sale of Mutual Fund	0.00		5,000.00	
Interest on Fixed Deposit	305.23	(218.30)	413.70	5,201.12
Sale Of Investments				
Net Cash Flow from Investing Activity(B)		(218.30)		5,201.12
C. Cash Flow from Financing Activity				
Finance Cost		(8,436.43)		(6,755.80)
Proceeds from / (Repayment of) Borrowings	5,364.77		20,592.05	
Proceeds from / (Repayment of) debt securities	3.42		(2,500.00)	
Proceeds from / (Repayment of) Subordinated Liabilities	1,000.99		(20.03)	
Proceeds from / (Repayment of) Securitisation/ Direct assignment	632.37		(3,044.10)	15,027.91
Payment of Lease Liabilities	58.75	7,060.30		
Net cash used in Financing Activity (C)		(1,376.13)		8,272.12
Net Increase in Cash and Cash Equivalents(A+B+C)		(3,606.86)		1,972.97
Cash and cash equivalents at the beginning of the period		7,909.13		5,936.16
Cash and cash equivalents at the close of the period		4,302.28		7,909.13
Cash and Cash Equivalent includes:-				
Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
Cash on hand		3,798.32		6,998.74
Balance in current account		503.96		910.39
Total		4,302.28		7,909.13

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
Also refer note 37 "Disclosure as per Ind AS 7 - Cashflow Statements" for Cash and non cash changes in Liabilities arising from financing activity

In terms of our report of even date

For and on behalf of the board

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
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Chairman and Managing
Director
(DIN - 00416121)

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M.No. 412724

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Sd/-
Lalit Kumar Jain
Independent
Director
(DIN- 07517615)

Date: May 29, 2023
Place: Jaipur
UDIN: 23412724BGWGN15136

Standalone Statement Of Changes In Equity
As at year end date 31st March 2023

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Year ended 31st March 2022										(₹ in lakhs)
Particulars	Reserves and Surplus							Total		
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Redemption Reserve	Debenture Redemption Reserve	Securities Premium	Share Based Payment Reserve	Impairment Reserve	Retained Earnings			
Balance at the beginning of 01st April, 2021	1,662.93	150.00	-	2,029.73	-	567.66	10,070.15	14,480.47		
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-		
Restated balance As at 1st April, 2021	1,662.93	150.00	-	2,029.73	-	567.66	10,070.15	14,480.47		
Profit for the year	-	-	-	-	-	-	4,208.14	4,208.14		
Other Comprehensive Income on account of Gratuity (expense)(net of tax)	-	-	-	-	-	-	(4.25)	(4.25)		
Total Comprehensive Income for the Year	1,662.93	150.00	-	2,029.73	-	567.66	14,274.04	18,684.36		
Additions during the year	930.92	150.00	250.00	-	-	-	-	1,330.92		
Premium on issue of shares	-	-	-	-	-	-	-	-		
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	(150.00)	(150.00)		
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	-	-	-	-	-	(930.92)	(930.92)		
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	(250.00)	(250.00)		
Dividend Paid (including Dividend tax)	-	-	-	-	-	-	-	-		
Balance as at 31st March, 2022	2,593.85	300.00	250.00	2,029.73	-	567.66	12,943.11	18,684.36		

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DIGAMBER CAPFIN LTD.

Notes To Financial Statements

FOR THE PERIOD ENDED 31ST MARCH, 2023

Note 1: Company Overview and Significant Accounting Policies

A. Company Overview

"Digamber Capfin Ltd is a Public Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 1956 having Corporate Identification No. is (CIN) U67120RJ1995PLC009862 on 17th April, 1995. Digamber Capfin Ltd (DCL) started operations as an NBFC in 1995 with the mission of providing a range of financial services to the population who are not adequately served by financial institutions. The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September, 2013 vide registration No. RBI B-10.00099.

The registered office of the Company is located at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur Rajasthan- 302018 IN"

DCL offers a diverse range of loan products to cater to the specific requirements of our customers. Our products can be classified into four categories, viz; Microfinance, Trade Finance, Agriculture and Animal Husbandry Finance. MFI loans follow the Grameen model of lending which is a Joint-Liability Group (JLG) lending model mainly focuses on a woman through a credit product that allows her to start a new business or enhance her existing business as well. DCL provides prompt, convenient and affordable collateral-free credit to people at the bottom of the pyramid through a strong credit assessment and centralised approval, depending on the end use, these broad categories of products can be further sub-divided into agricultural, education, home improvement, and livestock loans. Trader finance is secured and unsecured higher ticket size loan products which are available for both existing and open market customers.

DCL has adopted an integrated approach to lending which combines a high customer touch-point typical of microfinance, with the technology infrastructure and related back-end support functions similar to that of a retail bank. This integrated approach has enabled it to manage increasing business volumes and optimise overall efficiencies.

B. Basis of Preparation and Presentation

1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the period ended March 31, 2022, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP').

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS Financial Statements.

2. Basis of Measurement:

The financial statements have been prepared on a going concern and under the historical cost basis, except for the derivatives financial instruments and following assets and liabilities:

Certain financial assets and liabilities measured at Fair value/Amortised cost (refer accounting policy regarding financial instruments)

Non-Current Assets held for sale measured at the lower of its carrying amount and fair value less costs to sell; and Employee's Defined Benefit Plan obligations as per actuarial valuation.

The methods used to measure fair values are discussed further in notes to financial statements.

An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note no. 35.

3. Functional and presentation currency :

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decimals) as per the requirements of Schedule III, unless otherwise stated.

4. Use of Estimates and Judgements :

The preparation of financial statements with Ind AS require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

C. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

1. Property Plant & Equipment

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

"Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and Expenses, incidental to the operations, not necessary in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss."

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

1.3 Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on Derecognition of an item of Property, Plant and Equipment are determined by comparing net disposable proceeds with the carrying amount of Property, Plant and Equipment and are recognized in the statement of profit and loss.

1.4 Depreciation/Amortization

Depreciation for all property, plant and equipment is being provided on Straight Line Method (SLM) as per the estimates of useful life specified in Schedule II of the Companies Act, 2013. The Company has estimated 5% residual value for all block of asset at the end of useful life. The management believes that useful life are realistic and reflect fair approximation of the period over which asset likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

Improvements of the lease hold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2. Intangible assets and intangible assets under development :

2.1 Initial recognition and measurement

An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

2.2 Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

2.3 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

2.4 Amortization

Intangible assets having definite life are amortized on straight line method over their useful lives. If life of any intangible asset is indefinite then it is not amortized and tested for impairment at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

3. Revenue Recognition

3.1 Interest Income

"Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).

The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset."

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded 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. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on the net carrying amount (i.e., Gross carrying amount net of loss allowance) Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognised) and the consideration received (including any new asset obtained and any new liability assumed).

3.2 Income from Direct Assignment transactions

Gain arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate that is the interest rate on loan portfolio with respect to the particular quarter dealt with.

3.3 Fees and Comission Income

Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable. Income from other financial charges including late payment interest are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges which are accounted as and when received.

4. Non-current assets (or disposal groups) classified as held for sale:

Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

An Asset is classified as "Asset held for sale" when the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for sale". Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.

5. Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

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

6. Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of leases recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

7. Government Grants and Subsidies:

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Where the government grants / subsidies relate to income, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the useful life of the related assets.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan is recognised and recorded in accordance with Ind AS 109 - 'Financial Instruments'. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with IND AS 109 and the proceeds received.

8. Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an 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. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

Contingent Liabilities

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 liabilities are reviewed at each balance sheet date.

Contingent Assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

9. Leases:

9.1 The Company as lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a. The contract involves the use of an identified asset
- b. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- c. The Company has the right to direct the use of the asset.

i) Measurement and recognition

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. 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. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's 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.

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

9.2 The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on either a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

10. Segment Reporting: Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

11. Employee benefits :

11.1 Short Term Benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

11.2 Post-Employment benefits

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

(i) Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Defined benefit plans :

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme is considered as a Defined benefit plan.

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is determined annually on the basis of Actuarial Valuation using the projected unit credit method.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

12. Leave Encashment

The Company accounts for the liability for Leave Encashment based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

13. Income Taxes

Income tax expense comprises current tax and deferred tax.

13.1 Current Income Tax

"Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws

used to compute the amount are those that are enacted or substantively enacted and as applicable at the reporting date and any adjustment to tax payable in respect of previous years. Current tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognized in OCI or Equity. "

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

13.2 Deferred Tax

Deferred tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts for financial reporting purposes, and are accounted for using the balance sheet approach.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

"Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity."

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT)

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

14. Share Based Payment

"Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, 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 year, 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 Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payment Reserve." The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

15. Material prior period errors :

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

16. Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

17. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement

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

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

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition;
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price.

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

The Company recognises a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed.

The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments.

The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.

17.1 Financial assets

i) Subsequent measurement of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

Financial Assets at Amortised Cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a. It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

Financial Assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

Financial Assets at fair value through the statement of profit and loss (FVTPL)

Any financial asset which is not classified in any of the above categories is subsequently measured at FVTPL.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

ii) Modification of financial assets

"A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset."

iii) Derecognition of financial assets

"A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in ratio as agreed without material delay to a third party under a 'direct assignment' arrangement."

"Direct Assignment arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows in agreed ratio to one or more entities ('eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay in the agreed ratio."

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. On derecognition of a financial asset in its entirety, the difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in the statement of profit and loss.

Staging of Loans

The Company recognises impairment loss allowance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss. Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.
- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'."

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Additionally, the Company also considers any other observable input indicating a significant increase in credit risk.

- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category."

Definition of Default

In accordance with Ind AS 109, the Company considers the rebuttable presumption to define a financial instrument as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

Measurement of Expected Credit Loss (ECL)

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has its own board approved policy, during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

(a) Probability of default (PD)

"PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For **Stage I** accounts, 0.10% and 0.25% PD is used.

For **Stage II** significantly increased credit risk accounts, 0.50% and 5.00% PD is used.

For **Stage III** credit impaired accounts, 50% and 75% PD is taken."

(b) Loss Given Default (LGD)

"LGD is the loss factor which the Company may experience in case the default occurs.

Stage-wise average LGD had been applied in case of loans given.

For Stage III loans, LGD has been assessed based on discounted projected cash flow analysis for operational projects."

(c) Exposure at Default (EAD)

It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or Life Time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss

Classification as debt or equity

Debt and equity 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.

17.2 Equity instruments

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. .

17.3 Financial liabilities**(i) Initial recognition and measurement**

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement of financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost as appropriate.

(iii) Financial liabilities at Amortised Cost :

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

18. Fair value Measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the assets or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the assets or liability.

"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."

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- I. **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- II. **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- III. **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

"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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year."

19. Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments and short term investments with original maturity of less than three months.

D Significant estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

i) Business Model Assessment

The Company determines its Business Model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

ii) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives which is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Residual Value has been taken between 0-5% Useful life of the all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013

iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Defined Benefit Plan

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

v) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

vi) Impairment losses on financial assets

"The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, 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 Expected credit loss (ECL) calculations are outputs of complex 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 judgments and estimates include:

- The Company's model, which assigns Probability of default (PD)s.
- 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 Lifetime expected credit loss (LTECL) basis.
- 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, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s."

vii) Fair value measurement:

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

viii) Effective Interest rate method

The Company's EIR methodology, recognises interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

ix) Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits & time deposits and short term investments with original maturity of less than three month.

20. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i) Ind AS 1 – Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

ii) Ind AS 12 – Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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Notes to financial statements for the period ended on 31st March 2023

2. Cash & Cash Equivalents			(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
Cash on Hand	24.26	7.71	
Balance with Bank in Current Accounts	2,772.97	3,476.02	
Fixed Deposit	1,001.08	3,515.01	
Total	3,798.32	6,998.74	
3. Bank Balances other than Cash & Cash Equivalents			(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
Fixed Deposit with Banks	503.96	910.39	
Total	503.96	910.39	
4. Loans			(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
	Amortised Cost	Amortised Cost	
(A)			
Gross Outstanding Term Loan	92,309.12	76,931.05	
Total (A)	92,309.12	76,931.05	
Less: Impairment loss allowance	(1,940.59)	(2,316.13)	
Total Net (A)	90,368.52	74,614.92	
(B)			
Secured	-	-	
Unsecured	92,309.12	76,931.05	
Total (B)	92,309.12	76,931.05	
Less: Impairment loss allowance	(1,940.59)	(2,316.13)	
Total Net (B)	90,368.52	74,614.92	
(C)			
Loans in India			
(i) Loans to Individuals	92,309.12	76,931.05	
Total (C)	92,309.12	76,931.05	
Less: Impairment loss allowance	(1,940.59)	(2,316.13)	
Total Net (C)	90,368.52	74,614.92	
4.1 The company has given impairment assessment and measurement approach in note no. 1 (17.1)(IV) of the summary of significant accounting policies.			
5. Investments			(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
	Fair value through Profit and Loss	Fair value through Profit and Loss	
Investment in Mutual Funds	587.62	559.91	
Gross (A)	587.62	559.91	
Overseas Investments	-	-	
Investments in India	587.62	559.91	
Gross (B)	587.62	559.91	
Less: Allowance for Impairment loss (C)	-	-	
Total Net D = (A) -(C)	587.62	559.91	
6. Other Financial Asset			(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
Fixed Deposit with Banks	5,242.58	4,931.48	
Excess Interest Spread in DA transaction	1,869.97	3,130.68	
Receivable against Excess Interest Spread	1,007.26	856.65	
Security Deposit*	8.37	7.56	
Sundry Receivable from others	1.92	-	
Deferred Revenue	-	2.37	
Interest accrued on DA/PTC transactions	157.56	138.37	
Receivables against Loan Assets	284.96	441.11	
Accrued Interest	678.68	752.84	
Commission Receivable	0.00	0.02	
Total	9,251.30	10,261.07	
* This includes security deposit against office building of Rs. 8.21 lakhs for the year 2022-23 (Rs. 7.2 for the year 2021-22)			

7. Current Tax Liability / (Assets) (Net)		(₹ in lakhs)	
Particulars	As at 31st March 2023	As at 31st March 2022	
Provision for Tax	1,665.64	1,023.37	
Advance Tax Paid	(1,344.73)	(991.33)	
Total	320.92	32.04	

8. Deferred Tax Assets / (Liability) (Net)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets, on account of		
Actuarial Gain on Gratuity	(3.00)	1.71
Provisions for ECL	305.98	400.49
Provisions for Leave Encashment	22.05	-
Effective Interest Rate on Financial Assets	50.77	46.80
Leases	0.76	-
Total(A)	376.55	449.01
Deferred Tax Liabilities, on account of		
Fair Valuation of Mutual Funds	12.85	5.94
Effective Interest Rate on Financial Liability	(15.95)	44.09
Effective Interest Spread impact due to Direct Assignment	477.59	787.93
Depreciation and Amortisation	69.57	64.92
Total(B)	544.05	902.88
Net Deferred Tax Assets / (Liability) (A) - (B)	(167.50)	(453.87)

9. Property, Plant & Equipment

As at 31st March 2023

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1st April 2022	2,477.21	665.31	318.93	206.65	67.91	127.39	3,863.39
Addition During the period	-	-	48.55	11.05	-	12.44	72.04
Deduction/Adjustments during the period	-	-	-	-	-	-	-
As at 31st March 2023	2,477.21	665.31	367.48	217.70	67.91	139.83	3,935.43
Accumulated Depreciation/Amortisation							
Up to 1st April 2022	-	57.37	220.50	66.50	31.86	57.42	433.66
For the period	-	11.01	48.45	20.29	7.55	18.69	105.98
Deduction/Adjustments during the period	-	-	-	-	-	-	-
Total up to 31st March 2023	-	68.37	268.95	86.79	39.41	76.11	539.63
Net Block							
As at 31st March 2023	2,477.21	596.94	98.53	130.91	28.50	63.71	3,395.80
As at 1st April 2022	2,477.21	607.94	98.43	140.15	36.04	69.97	3,429.74

As at 31st March 2022

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1st April 2021	2,477.21	665.31	230.72	157.47	75.19	77.79	3,683.69
Addition During the period	-	-	88.21	49.17	-	49.60	186.98
Deduction/Adjustments during the period	-	-	-	-	7.28	-	7.28
As at 31st March 2022	2,477.21	665.31	318.93	206.65	67.91	127.39	3,863.39
Accumulated Depreciation/Amortisation							
Up to 1st April 2021	-	46.36	176.36	50.32	31.23	48.29	352.57
For the period	-	11.01	44.14	16.18	7.55	9.13	88.00
Deduction/Adjustments during the period	-	-	-	-	6.92	-	6.92
Total up to 31st March 2022	-	57.37	220.50	66.50	31.86	57.42	433.66
Net Block							
As at 31st March 2022	2,477.21	607.94	98.43	140.15	36.04	69.97	3,429.74
As at 1st April 2021	2,477.21	618.95	54.36	107.15	43.95	29.50	3,331.12

10. Right of Use Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Gross Block		
As at 1st April 2022	-	-
Addition During the period	91.29	-
Deduction/Adjustments during the period	-	-
As at 31st March 2023	91.29	-
Accumulated Depreciation/Amortisation		
Up to 1st April 2022	-	-
For the period	34.24	-
Deduction/Adjustments during the period	-	-
Total up to 31st March 2023	34.24	-
Net Block		
As at 31st March 2023	57.05	-
As at 1st April 2022	-	-

11. Capital Work in Progress
As at 31st March 2023

PARTICULARS						(₹ in lakhs)
						Total
As at 1st April 2022						25.96
Addition During the period						349.40
Capitalisation during the period						-
Interest Capitalised during the period						9.17
As at 31st March 2023						384.53

As at 31st March 2022

PARTICULARS						(₹ in lakhs)
						Total
As at 1st April 2021						-
Addition During the period						25.96
Capitalisation during the period						-
Interest Capitalised during the period						-
As at 31st March 2022						25.96

(a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	358.57	25.96	-	-	384.53

12. Intangible Assets
As at 31st March 2023

Particulars	Software	Total
Gross Block		
As at 1st April 2022	15.00	15.00
Addition During the period	1.63	1.63
Deduction/Adjustments during the period	-	-
As at 31st March 2023	16.63	16.63
Accumulated Depreciation/Amortisation		
Up to 1st April 2022	5.70	5.70
For the period	2.99	2.99
Deduction/Adjustments during the period	-	-
Total upto 31st March 2023	8.69	8.69
Net Block		
As at 31st March 2023	7.94	7.94
As at 1st April 2022	9.30	9.30

As at 31st March 2022

Particulars	Software	Total
Gross Block		
As at 1st April 2021	15.00	15.00
Addition During the period	-	-
Deduction/Adjustments during the period	-	-
As at 31st March 2022	15.00	15.00
Accumulated Depreciation/Amortisation		
Up to 1st April 2021	2.85	2.85
For the period	2.85	2.85
Deduction/Adjustments during the period	-	-
Total upto 31st March 2022	5.70	5.70
Net Block		
As at 31st March 2022	9.30	9.30
As at 01st April 2021	12.15	12.15

Digamber Capfin Limited

Notes to financial statements for the period ended on 31st March 2023

13. Other Non-Financial Assets						(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022				
Prepaid Expenses	48.06	33.28				
GST Receivable	-	11.72				
Sundry Advances And Receivables	3.38	0.92				
Gratuity Plan Asset	26.26	70.02				
Total	77.70	115.94				
14 (I) Trade Payables						(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022				
Payable to:						
Micro and Small Enterprises	8.51	6.79				
Other than Micro and Small Enterprises	2.87	3.51				
Total	11.38	10.31				
(II) Other Payables						(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022				
Payable to:						
Micro and Small Enterprises	5.58	-				
Other than Micro and Small Enterprises	0.10	0.92				
Total	5.67	0.92				
Trade Payables Ageing Schedule						
(i) As at 31st March 2023						
Particulars	Outstanding for following period from due date of transaction					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Payable to:						
Micro and Small Enterprises	14.08	-	-	-		14.08
Other than Micro and Small Enterprises	2.97	-	-	-		2.97
Total	17.05	-	-	-		17.05
(ii) As at 31st March 2022						
Particulars	Outstanding for following period from due date of transaction					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Payable to:						
Micro and Small Enterprises	6.79	-	-	-		6.79
Other than Micro and Small Enterprises	4.43	-	-	-		4.43
Total	11.23	-	-	-		11.23
15. Debt Securities at Amortised Cost						(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022				
Secured						
Non Convertible Debentures	2,548.91	2,545.50				
Total	2,548.91	2,545.50				
Debt Securities In India	2,548.91	2,545.50				
Debt Securities Outside India	-	-				
Total	2,548.91	2,545.50				

Details Of Redeemable Non-Convertible Debentures

Particulars	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest	Face value	As at 31st March 2023	As at 31st March 2022
SBI - These debentures are secured by way of a first ranking, exclusive and continuing charge on identified receivable at all time equal to 1.25 times or 125% of the aggregate amount of principle outstanding of the NCD. Also, these are secured by unconditional and irrevocable personal guarantee of Mr. Amit Jain and Mr. Rajiv Jain. These are redeemable at par through bullet payment.	29-Jul-20	21-Apr-23	250	11.75%	1000000	2,548.91	2,545.50
Total			250.00			2,548.91	2,545.50

16. Borrowings (Other than Debt Securities)-At Amortised Cost		(₹ in lakhs)	
Particulars	As at 31st March 2023	As at 31st March 2022	
Secured			
Term loans			
(i) From Banks	44,546.23	62,847.29	
(ii) From Financial Institutions/NBFC	24,073.25	6,955.80	
(iii) Vehicle Loan	23.59	32.30	
Other Loans (specify nature)			
Cash Credit from Banks	2,998.55	17.49	
Securitization	4,074.54	498.51	
Total	75,716.16	70,351.38	
Borrowings in India	75,716.16	70,351.38	
Borrowings Outside India	-	-	
Total (B)	75,716.16	70,351.38	

16.1 Nature of Security

Secured term loans from banks amounting to Rs. 44546.23 Lakhs carry rate of interest in range of 8.5% to 12.5%. The Loan having tenure of 2 To 5 Years from date of disbursement and are repayable in monthly installments.

These loans are secured by hypothecation of loans given by the company and in some cases personal guarantee of directors, Mr. Rajiv Jain and Mr. Amit Jain is also given. Secured term loans from financial institutions amounting to Rs. 24073.25 Lakhs carry rate of interest in range of 9.5% to 14%. The Loan having tenure of 2 To 4 Years from date of disbursement and are repayable in both monthly and quarterly installments.

These loans are secured by hypothecation of loans given by the company and in some cases personal guarantee of directors, Mr. Rajiv Jain and Mr. Amit Jain is also given. Secured term loans for vehicles amounting to Rs. 23.59 Lakhs carry rate of interest in range of 7.5% to 9.5%. The Loan having tenure of 5 To 7 Years from date of disbursement and are repayable in both monthly and quarterly installments. BOB car loan & UCO Bank car Loan is secured by hypothecation.

16.2 Delay in Repayment

For 2022-23

There is no delay in repayment of borrowings as at 31st March, 2023

For 2021-22

The Company has delay in repayment of borrowings as at 31st March, 2022. There was delay in repayment of interest amount for Rs. 28,973/- for IDBI Term Loan account for October Month. The amount was paid on 10.11.2022.

17. Subordinated Liabilities (At Amortised Cost)		(₹ in lakhs)	
Particulars	As at 31st March 2023	As at 31st March 2022	
Unsecured			
-From Other Banks	507.64	507.64	
-From FIs/ NBFCs	2001.17	1,000.18	
Total	2,508.81	1,507.82	
Subordinated liabilities in India	2,508.81	1,507.82	
Subordinated liabilities in outside India	-	-	
Total	2,508.81	1,507.82	

Term of Repayment Of Debentures, Subordinated Debts and Term Borrowings Outstanding (A) As at 31st March, 2023										(₹ in lakhs)
Type of instrument/ institution	Frequency of Repayment	Original maturity of loan	Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total	
Debentures	Bullet Repayment	0-3 years	11.00% - 11.75%	2,548.91	-	-	-	-	2,548.91	
Sub-debts	Bullet Repayment	Above 3 years	15.5% -16.00% 17.5% -18.00%	1.17 507.64	1,000.00	-	-	1,000.00	2,001.17	507.64
Term Loans From Bank	Monthly	0-3 years	8.50 %-9.00 %	1,600.43	340.97	-	-	-	1,941.39	
			9.50 %-10.00 %	5,389.93	2,367.11	-	-	-	7,757.03	
			10.00%-10.50 %	4,045.42	2,111.35	1,480.94	-	-	7,637.71	
			10.50 %-11.00 %	750.28	184.60	-	-	-	934.87	
			11.00%- 11.50 %	4,205.72	2,199.62	-	-	-	6,405.35	
			11.50%-12.00 %	4,894.37	3,458.99	286.51	-	-	8,639.87	
			12.00%-12.50 %	2,722.09	1,744.92	242.74	-	-	4,709.75	
		Above 3 years	9.50 %-10.00 %	667.09	666.67	261.54	-	-	1,595.30	
			10.00%-10.50 %	608.48	355.63	169.96	-	-	1,134.07	
			11.00%- 11.50 %	1,112.93	495.99	-	-	-	1,608.92	
Term Loans from Financial Institutions	Monthly	0-3 years	11.50%- 12.00 %	1,346.68	835.28	-	-	-	2,181.96	
			9.50% - 10.00%	1,213.44	1,098.46	-	-	-	2,311.89	
			11.50% - 12.00%	317.38	353.41	133.97	-	-	804.76	
			12.00% - 12.5%	977.12	995.12	-	-	-	1,972.24	
			12.5% - 13.00%	330.07	407.23	254.63	-	-	991.93	
			13.00%-13.50%	1,507.27	662.80	750.75	-	-	2,920.82	
			13.50% - 14.00%	68.80	-	-	-	-	68.80	
		Above 3 years	12.5% - 13.00%	631.89	625.08	506.43	-	-	1,763.40	
			13.00% - 13.50%	342.96	342.96	342.96	43.89	-	1,072.77	
	Quarterly	0-3 years	11.00% - 11.50%	511.47	500.00	242.54	-	-	1,254.00	
			11.50% - 12.00%	2,793.66	2,700.00	2,019.55	-	-	7,513.21	
		Above 3 years	10.00% -10.50%	1,500.00	1,200.00	400.00	299.43	-	3,399.43	
Vehicle Loans	Monthly	Above 3 years	7.50% - 8.00%	1.96	-	-	-	-	1.96	
Securitization (PTC)	Monthly	0-3 years	9.00%-9.50 %	4.96	5.41	5.89	5.37	-	21.63	
			10.00%-10.50 %	2,898.19	1,176.35	-	-	-	4,074.54	

(B) As at 31st March, 2022									
Type of Instrument/ institution	Frequency of Repayment	Original maturity of loan	Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Debentures	Bullet Repayment	0-3 years	11.00% - 11.50%	45.50	2,500.00	-	-	-	2,545.50
Sub-debts	Bullet Repayment	0-3 years	16.00% - 18.00%	7.82	500.00	1,000.00	-	-	1,507.82
Term loans from Bank	Monthly	0-3 years	8.00% - 8.50%	1,584.28	1,589.83	352.61	-	-	3,526.72
			8.50% - 9.00%	2,048.88	1,365.50	1,099.62	-	-	4,514.00
			9.00% - 9.50%	7,243.67	6,718.47	2,507.45	-	-	16,469.58
			9.50% - 10.00%	1,898.91	1,890.51	1,660.68	-	-	5,450.09
			10.00% - 10.50%	2,749.50	2,118.45	1,198.96	-	-	6,066.91
			10.50% - 11.00%	981.10	1,115.46	541.63	-	-	2,638.19
			11.00% - 11.50%	2,080.17	1,371.16	-	-	-	3,451.33
			11.50% - 12.00%	1,288.56	698.77	-	-	-	1,987.33
		Above 3 years	12.50% - 13.00%	3,560.03	1,568.07	711.40	-	-	5,839.50
			13.50% - 14.00%	1,178.88	1,331.72	666.67	-	-	3,177.26
			8.00% - 8.50%	316.74	230.50	231.62	174.27	-	953.14
			9.00% - 9.50%	653.71	656.92	661.14	276.81	-	2,248.58
			10.00% - 10.50%	491.15	494.21	497.66	41.62	-	1,524.65
			10.00% - 10.50%	1,600.00	1,500.00	1,200.00	400.00	300.00	5,000.00
Term Loans from Financial Institutions	Monthly	0-3 years	9.50% - 10.00%	449.66	-	-	-	-	449.66
			13.50% - 14.00%	2,275.66	991.13	-	-	-	3,266.79
		Above 3 years	13.50% - 14.00%	634.30	625.08	625.08	520.58	-	2,405.04
		0-3 years	13.50% - 14.00%	834.32	-	-	-	-	834.32
Vehicle loans	Monthly	Above 3 years	7.50% - 8.00%	8.62	6.99	5.41	5.90	5.39	32.30
Securitization (PTC)	Monthly	0-3 years	8.50% - 9.00%	498.51	-	-	-	-	498.51
Vehicle loans	Monthly	Above 3 years	7.50% - 8.00%	8.54	7.88	6.09	5.65	8.7376212	36.8976212

18. Lease Liability				(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022		
Lease Liability	58.75	-		
Total	58.75	-		
19. Other Financial Liabilities				(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022		
Payable towards Securitisation/Assignment transactions	2,612.54	1,980.17		
Sundry Paybles	1.40	-		
Audit Fees Payable	8.91	8.10		
Salary Payables	16.25	12.47		
Liability towards Employee	128.42	-		
Director Remuneration Payable	110.00	88.00		
Total	2,877.53	2,088.75		
20. Provisions				(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022		
Provision for employee Benefits				
Provision for Leave Encashment	87.61	-		
Other Provisions				
Provision for Expenses	210.41	138.05		
Total	298.01	138.05		
Movement of Provision				
Particulars	As at 31st March 2023	As at 31st March 2022		
Provision for Expenses				
Opening Provision	138.05	4.55		
Paid during the Year	(138.05)	(4.55)		
Provision made during the Year	298.01	138.05		
Closing Provision	298.01	138.05		
21. Other Non-Financial Liabilities				(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022		
Advance From Customer	75.72	-		
Unearned Interest Income	8.54	-		
TDS Payable	103.94	80.35		
GST Payable	11.54	-		
ESI Payable	9.99	10.87		
PF Payable	38.29	33.92		
PT Payable	0.11	0.15		
Total	248.13	125.29		

22. Equity Share Capital		(₹ in lakhs)	
Particulars		As at 31st March 2023	As at 31st March 2022
Authorised			
15000000 Equity Shares of ₹ 10/- Each (as at 31st March 2022: 15000000 Equity Shares of ₹ 10/- Each)		1,500.00	1,500.00
3000000 Preference Shares of ₹ 10/- Each (as at 31st March 2022: 3000000 Preference Shares of ₹ 10/-)		300.00	300.00
		1800.00	1800.00
Issued, Subscribed and Fully Paid Up			
9876930 Equity Shares of ₹ 10/- Each (as at 31st March 2022: 9876930 Equity Shares of ₹ 10/- Each)		987.69	987.69
Total		987.69	987.69

(a) The Reconciliation of the Number of Shares Outstanding and the Amount of Share Capital:		
Particulars	As at 31st March 2023	As at 31st March 2022
	No. of Shares	No. of Shares
Equity Share Capital		
Shares outstanding at the beginning of the period	98,76,930.00	98,76,930.00
Changes during the period	-	-
Shares outstanding at the end of the period	98,76,930.00	98,76,930.00

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be 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 shareholder.

(c) Details of Shareholders holding more than 5% shares in the Company:				
Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity Shares of Rs. 10 each fully paid-up				
- Mr. Rajiv Jain	25,55,927	25.88	25,55,927	25.88
- Mr. Amit Jain	23,46,981	23.76	23,46,981	23.76
- Mrs. Shweta Jain	10,77,849	10.91	10,75,849	10.89
- Mrs Shilpa Ajmera	9,12,094	9.23	9,10,094	9.21

(d) Shareholdings of Promoters						
Particulars	Promoter name	Shares held by promoters at the beginning of the year		Shares held by promoters at the end of the year		% Change during the Year
S. No		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Rajiv Jain	25,55,927	25.88	25,55,927	25.88	-
2	Amit Jain	23,46,981	23.76	23,46,981	23.76	-
3	Shweta Jain	10,75,849	10.89	10,77,849	10.91	0.02
4	Shilpa Ajmera	9,10,094	9.21	9,12,094	9.23	0.02
5	Rajiv Jain HUF	3,41,574	3.46	3,41,574	3.46	-
6	Amit Jain HUF	3,41,329	3.46	3,41,329	3.46	-

23. Other Equity		(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium	2,029.73	2,029.73
Retained Earnings	15,827.87	12,943.11
Statutory Reserve u/s 45-IC of RBI Act, 1934	3,664.35	2,593.85
Capital Redemption Reserve	300.00	300.00
Debenture Redemption Reserve	250.00	250.00
Share Based Payment Reserves	43.66	-
Impairment Reserve	567.66	567.66
Total	22,683.27	18,684.36

Nature, Purpose and Movement of Each Reserve

(i) Securities Premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning and end of the period	2,029.73	2,029.73
Add : Additions during the period	-	-
At the end of the period	2,029.73	2,029.73

(ii) Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning of the period	12,943.11	10,070.15
Add : Profit/(Loss) for the period	3,941.25	4,208.14
Add: Other Comprehensive Income	14.01	(4.25)
Less: Transfer to Special Reserves	(1,070.50)	(930.92)
Less: Transfer to Capital Redemption Reserves	-	(150.00)
Less: Transfer to Debenture Redemption Reserves	-	(250.00)
At the end of the period	15,827.87	12,943.11

(iii) Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning of the period	2,593.85	1,662.93
Add : Additions during the period	1,070.50	930.92
At the end of the period	3,664.35	2,593.85

(iv) Capital Redemption Reserve

CRR is a statutory requirement of Companies Act, 2013 which requires the company repurchasing its own shares from the market, to transfer an amount equal to the nominal value or face value of the shares bought back to this reserve.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning and end of the period	300.00	150.00
Add : Additions during the period	-	150.00
At the end of the period	300.00	300.00

(v) Debenture Redemption Reserve

DRR is a statutory requirement of Companies Act, 2013 which requires the company redeeming debentures, to transfer an amount equal to the 10% of face value of the debentures due for redemption in the next financial year.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning and end of the period	250.00	-
Add : Additions during the period	-	250.00
At the end of the period	250.00	250.00

(vi) Share Based Payment Reserves

The Corporation has Employee stock option schemes under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using appropriate model and amortised over the vesting period as share based payment with corresponding credit in share-based payment reserve. On exercise of the stock options, balance in share-based payment reserve is transferred to securities premium account.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning and end of the period	-	-
Add : Additions during the period	43.66	-
At the end of the period	43.66	-

(vii) Impairment Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At the beginning and end of the period	567.66	567.66
Add : Additions during the period	-	-
At the end of the period	567.66	567.66

24. Income (Measured at Amortised Cost)		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Earned on JLG Loans	21,867.07	15,923.20
Excess interest spread on securitization/income from assignment	814.08	735.58
Unwinding Interest Income on EIS asset	427.43	258.74
Total Income	23,108.58	16,917.52

25. Net Gain/(Loss) On Fair Value Changes		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)		
On trading portfolio		
Mutual fund investment at FVTPL	27.71	44.02
Total Net gain/(loss) on fair value changes	27.71	44.02
Analysis of fair value changes		
Realised	-	-
Unrealised	27.71	44.02
Total Net gain/(loss) on fair value changes	27.71	44.02

26. Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net gain on derecognition of financial instruments under amortized cost category		
Gain on sale of Loan Portfolio	1,969.77	4,082.42
Total Net gain on derecognition of financial instruments	1,969.77	4,082.42

27. Other Income		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Misc. Receipts	5.96	18.27
Modification Gain on Borrowing	-	9.53
Interest on Fixed Deposit	305.23	413.70
Recovery from Written off Accounts	264.29	142.39
Total Other Income	575.49	583.89

28. Finance Cost		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on financial liabilities (measured at amortised cost)		
Borrowings	7,984.97	6,120.28
Debt securities	239.45	347.19
Optionally Convertible Preference Share Capital	-	10.39
Others		
Bank charges	79.48	67.94
Other Finance Costs	20.62	10.94
Interest accrued but not due	111.90	199.06
Total Finance cost	8,436.43	6,755.80

29. Impairment on Financial Instruments		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Loan Assets (measured at amortised cost)	(375.54)	1,299.14
Loan Assets Written Off (measured at amortised cost)	4,142.67	2,559.02
Total Impairment on financial instruments	3,767.13	3,858.16

30. Employee Benefit Expense		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salary to Staff	5,049.73	4,122.47
Bonus to Staff	169.88	144.22
Contribution to ESI	100.42	87.85
PF Contribution	331.14	151.27
Share-based Payment to Employees	43.66	-
Gratuity Expenses	62.49	51.83
Leave Encashment Expenses	88.25	-
Staff welfare expenses	8.41	8.19
Director Remuneration	680.00	644.00
Total Employee Benefit Expenses	6,533.97	5,209.82

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note no.42.

31. Depreciation and Amortisation Expense		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation on Property, Plant & Equipment	105.98	88.00
Amortisation on Intangible Assets	2.99	2.85
Amortisation on ROU Assets	34.24	-
Total Depreciation and amortization expense	143.21	90.85

32. Other Expenses		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Electricity & Water Expenses	76.57	48.20
Insurance Expenses	52.40	40.57
Legal & Professional Charges	389.85	318.68
Printing & Stationery	62.65	49.64
Rent ,Rates & Taxes	292.28	223.20
Repairs and Maintenance Expenses	4.66	5.62
Telephone Expenses	20.01	8.54
Travelling & Conveyance	231.06	153.98
Loss by Robbery	-	5.05
Audit Fees & Expenses	17.01	11.22
GST Audit Fees & Expenses	0.71	0.58
CSR Expenses	81.47	64.80
Director sitting Fees	4.26	3.22
Office Expenses	54.39	29.49
Sundry Expenses	23.04	8.42
Advertisement	21.32	5.51
Web Site & Software Expenses	107.35	81.87
Interest on Lease Rent	7.97	-
Valuation Expenses	0.07	-
AMC charges	1.23	-
Total Other expenses	1,448.29	1,058.59

(a) The Payment To Auditors includes:-		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
As an auditor		
Audit Fees	9.29	5.50
Limited Review	2.18	1.73
Tax Audit	1.09	1.00
In other Capacity		
Company Law matters	1.11	1.09
Certification Fees	3.34	1.90
Total	17.01	11.22

(b) Amount spent towards Corporate Social Responsibility (CSR):-		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
a) Amount unspent for the last year	-	-
b) Gross amount required to be spent by the company during the year	81.47	64.73
c) Amount spent during the year ending on 31st March:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above*	81.47	64.80
Total	81.47	64.80

*It includes contribution to 'Jan Jagrati Sevarth Sansthan' controlled by the company in relation to CSR expenditure as per relevant Accounting Standard amounting to 40.00 lakhs for the current year (previous year: 60.00 lakhs to 'Shri Jagatbharti Education and Charitable Trust')

33. Income Tax		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Current Tax	1,665.64	1,015.09
Deferred Tax	(291.08)	(568.61)
Total Tax Expense	1,374.56	446.49

34. Earnings per Share (Ind AS 33)		(₹ in lakhs)
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(A) Basic Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	3,941.25	4,208.14
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	98,76,930.00	98,76,930.00
Basic EPS (i)/(ii) (in ₹)	39.90	42.61
(B) Diluted Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	3,941.25	4,208.14
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	99,00,891.20	98,76,930.00
Diluted EPS (i)/(ii)	39.81	42.61

35. Maturity Analysis at March 31, 2023 & March 31, 2022							(₹ in lakhs)
Particulars	As at 31st March 2023			As at 31st March 2022			
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month	
I. ASSETS							
(1) Financial Assets							
(a) Cash and Cash Equivalents	3,798.32	3,798.32	-	6,998.74	6,998.74	-	
(b) Bank balance other than Cash and cash equivalents	503.96	503.96	-	910.39	910.39	-	
(c) Receivables	-	-	-	-	-	-	
(I) Trade Receivables	-	-	-	-	-	-	
(II) Other Receivables	-	-	-	-	-	-	
(d) Loans	90,368.52	57,836.92	32,531.60	74,614.92	36,094.63	38,520.28	
(e) Investments	587.62	-	587.62	559.91	-	559.91	
(f) Other Financial Asset(to be specified)	9,251.30	5,371.03	3,880.28	10,261.07	6,377.55	3,883.51	
Total Financial Assets	1,04,509.72	67,510.23	36,999.49	93,345.03	50,381.32	42,963.71	
(2)Non-financial Assets							
(a) Current Tax Assets(Net)	-	-	-	-	-	-	
(b) Deferred tax Assets (Net)	-	-	-	-	-	-	
(c) Property, Plant and Equipment	3,395.80	-	3,395.80	3,429.74	-	3,429.74	
(d) Right of Use Assets	57.05	-	57.05	-	-	-	
(e) Capital Work in progress	384.53	-	384.53	25.96	-	25.96	
(f) Intangible Assets under development	-	-	-	-	-	-	
(g) Other Intangible Assets	7.94	-	7.94	9.30	-	9.30	
(h) Other non-financial assets	77.70	62.72	14.98	115.94	45.92	70.02	
Total Non-financial Assets	3,923.02	62.72	3,860.31	3,580.94	45.92	3,535.02	
Total Assets	1,08,432.74	67,572.95	40,859.80	96,925.97	50,427.24	46,498.73	
				-			
II. LIABILITIES AND EQUITY							
Liabilities							
(1) Financial Liabilities							
(a) Payables							
(I)Trade Payables							
i)Total Outstanding dues of Micro Enterprises and Small Enterprises	8.51	8.51	-	6.79	6.79	-	
ii)Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2.87	2.87	-	3.51	3.51	-	
(II)Other Payables	-						
i) Total outstanding dues of micro enterprises	5.58	5.58	-	-	-	-	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.10	0.10	-	0.92	0.92	-	
(b) Debt Securities	2,548.91	2,548.91	-	2,545.50	-	2,545.50	
(c) Borrowings (Other than Debt Securities)	75,716.16	43,441.13	32,275.03	70,351.38	32,376.32	37,975.06	
(d) Subordinated Liabilities	2,508.81	508.81	2,000.00	1,507.82	7.82	1,500.00	
(e) Lease liabilities	58.75	34.18	24.57	-	-	-	
(f) Other Financial Liabilities	2,877.53	2,877.53	-	2,088.75	2,088.75	-	
Total Financial Liabilities	83,727.21	49,427.61	34,299.60	76,504.67	34,484.12	42,020.56	
(2)Non- Financial Liabilities							
(a) Current Tax Liabilities (Net)	320.92	320.92	-	32.04	32.04	-	
(b) Provisions	298.01	298.01	-	138.05	138.05	-	
(c) Deferred tax Liabilities (Net)	167.50	-	167.50	453.87	-	453.87	
(d) Other non-financial liabilities	248.13	244.37	3.76	125.29	125.29	-	
Total Non- Financial Liabilities	1,034.56	863.30	171.26	749.24	295.37	453.87	
(3) EQUITY							
(a) Equity Share Capital	987.69	-	987.69	987.69	-	987.69	
(b) Other Equity	22,683.27	-	22,683.27	18,684.36	-	18,684.36	
Total Equity	23,670.97	-	23,670.97	19,672.05	-	19,672.05	
Total Equity and Liabilities	1,08,432.74	50,290.91	58,141.83	96,925.97	34,779.49	62,146.48	

36. Employee Stock Option Scheme

The Company has provided share based payments to its employees pursuant to 'ESOP Scheme 2022'. Details of all grants in operation during the year ended March 31, 2023 are as given below:

Particulars	Grade I	Grade II	Grade III
Date of grant	08-08-2022	08-08-2022	08-08-2022
Date of Board Committee approval	26-05-2022	26-05-2022	26-05-2022
Number of Options granted	54,371	10,481	3,869
Method of settlement	Equity	Equity	Equity
Graded Vesting Period:	Grade I	Grade II	Grade III
Day following the expiry of 12 months from grant	30%	25%	20%
Day following the expiry of 24 months from grant	35%	25%	20%
Day following the expiry of 36 months from grant	35%	25%	20%
Day following the expiry of 48 months from grant	-	25%	20%
Day following the expiry of 60 months from grant	-	-	20%
Exercise Period	1 months from date of vesting		
Vesting Conditions	Employee to be in service at the time of vesting		
Weighted average exercise price per option (₹)	10	10	10
Weighted average remaining contractual life (years)	2.36	3.36	4.36
Weighted average fair value per option (₹)	172.13	172.40	172.70
Risk free interest rate			
I	5.93%	5.93%	5.93%
II	6.44%	6.44%	6.44%
III	6.73%	6.73%	6.73%
IV	-	6.90%	6.90%
V	-	-	7.01%
Expected volatility			
I	57.03%	57.03%	57.03%
II	52.46%	52.46%	52.46%
III	58.26%	58.26%	58.26%
IV	-	54.41%	54.41%
V	-	-	52.46%
Dividend Yield			
I	0.00%	0.00%	0.00%
II	0.00%	0.00%	0.00%
III	0.00%	0.00%	0.00%
IV	-	0.00%	0.00%
V	-	-	0.00%
Year ended March 31, 2023	Grade I	Grade II	Grade III
Number of options outstanding at the beginning of the year	-	-	-
Number of options granted during the year	54,371	10,481	3,869
Number of options forfeited during the year	-	-	-
Number of options exercised during the year	-	-	-
Number of options expired during the year	-	-	-
Number of options outstanding at the end of the year	54,371	10,481	3,869
Number of options exercisable at the end of the year	-	-	-
Year ended March 31, 2022	Grade I	Grade II	Grade III
Number of options outstanding at the beginning of the year	-	-	-
Number of options granted during the year	-	-	-
Number of options forfeited during the year	-	-	-
Number of options exercised during the year	-	-	-
Number of options expired during the year	-	-	-
Number of options outstanding at the end of the year	-	-	-
Number of options exercisable at the end of the year	-	-	-

37. Disclosure as per Ind AS 7 "Cash Flow Statement"

Cash and non-cash changes in liabilities arising from financing activities:
Year ended 31st March 2023

(₹ in lakhs)

Particulars	Secured Term Loans	Subordinated Debt	Non Convertible Debentures	Total
As at 1st April 2022	70,351.38	1,507.82	2,545.50	74,404.70
Cash Flows				
Receipts/(Payments)	5,215.73	999.82	-	6,215.56
Non-cash changes				
Accrued Interest	(87.42)	1.17	1.28	(84.97)
Amortisation of Processing Fees	236.45	-	2.13	238.59
As at 31st March 2023	75,716.16	2,508.81	2,548.91	80,773.88

Year ended 31st March 2022				(₹ in lakhs)
Particulars	Secured Term Loans	Subordinated Debt	Non Convertible Debentures	Total
As at 1st April 2021	49,747.99	1,520.21	5,180.99	56,449.19
Cash Flows				
Receipts/(Payments)	20,592.05	(20.03)	(2,500.00)	18,072.02
Non-cash changes				
Accrued Interest	198.15	7.64	(148.46)	57.33
Amortisation of Processing Fees	(186.81)	-	12.97	(173.84)
As at 31st March 2022	70,351.38	1,507.82	2,545.50	74,404.70

38. Disclosure as per Ind AS 12: Income Taxes

(i) Income Tax recognized in the statement of profit and loss

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current Tax expense		
Current Year	1,665.64	1,015.09
Adjustment for earlier years	-	-
Total current Tax Expense	1,665.64	1,015.09
Deferred Tax Expense		
Origination and reversal of temporary differences	(291.08)	(568.61)
Origination and reversal of carried forward losses		
Total Deferred Tax Expense	(291.08)	(568.61)
Income Tax for Earlier Year	36.71	-
Total Income Tax Expense	1,411.27	446.49

(ii) Income Tax recognized in other comprehensive income		(₹ In Lakhs)
Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Net actuarial gains/(losses) on defined benefit plans		
Before Tax	18.73	(5.68)
Tax expense / (benefit) recognized in OCI	(4.71)	1.43
Net of Tax	14.01	(4.25)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

				(₹ In Lakhs)
Particulars		Year ended 31st March 2023	Year ended 31st March 2022	
Profit before tax		5,352.52	4,654.62	
Applicable Tax Rate		25.17%	25.17%	
Computed tax expense		1,347.12	1,171.48	
Earlier Year tax		36.71	-	
Adjustments for:				
CSR Expenses		20.50	16.31	
Depreciation excess allowed		(4.65)	(6.49)	
Disallowances		11.54	(734.81)	
Parmanent Difference		0.04	-	
Tax as per Statement of Profit & Loss		1,411.27	446.49	
Deferred tax balance Asset /(Liability) in relation to	As at 31st March 2023	Movement during the period	As at 31st March 2022	
Effective Interest Rate on Financial Assets	50.77	3.96	46.80	
Provisions for ECL	305.98	(94.52)	400.49	
Actuarial Gain on Gratuity	(3.00)	(4.71)	1.71	
Fair Valuation of Mutual Funds	(12.85)	(6.91)	(5.94)	
Effective Interest Rate on Financial Laibility	15.95	60.05	(44.09)	
Effective Interest Spread impact due to Direct Assignment	(477.59)	310.34	(787.93)	
Provisions for Leave Encashment	22.05	22.05	-	
Depreciation and Amortisation	(69.57)	(4.65)	(64.92)	
Leases	0.76	0.76	-	
Total	(167.50)	286.37	(453.87)	
Recognised through:				
Profit & Loss		291.08		
OCI		(4.71)		
Total		286.37		

39. Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets			(₹ In Lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
A. Contingent Liabilities			
Claims against the company not acknowledged as debt			
Income Tax Demands	-	-	
Bank Guarantee	25.00	-	
B. Capital and other Commitments			
Others			
The Company's capital commitments towards Capital Work in Progress	221.20	84.44	
Total	246.20	84.44	

40. Disclosure as per Ind AS 24 and Sec 53(f) of SEBI (LODR) Regulations, 2015: Related Parties

(A) Name of Related parties and nature of relationship

1. Directors and Key Management Personnel	
a) Mr. Rajiv Jain	Chairman & Managing Director
b) Mr. Amit Jain	Whole Time Director cum CFO
c) Mr. Lalit Kumar Jain	Independent Director
d) Mr. Nayan Ambali***	Non- Executive Director
e) Mr. Jatin Chhabra	Non- Executive Director
f) Dr. Amita Gill	Independent Director
g) Mr. Shashank Vyas**	Nominee Director - SIDBI
h) Ms. Neha Agarwal	Company Secretary
i) Mr. Dharmendra Saxena*	Nominee Director - SIDBI

"Note-

*Mr. Dharmendra Saxena ceased to be director as his nomination was withdrawn by SIDBI w.e.f. 14/11/2022

**Mr. Shashank Vyas was appointed as Nominee Director w.e.f. 14/11/2022

***Mr. Nayan Ambali resigned as Independent Director w.e.f. closing hours of 26/05/2022. Further, he was appointed as Non Executive Director w.e.f. 27/05/2022"

2. Relatives of Key Management Personnel

a) Mrs. Shweta Jain

b) Mrs. Shilpa Ajmera

3. Enterprises in which Directors, Key Management Person and their Relatives are interested

a) Rajiv Jain HUF

b) Amit Jain HUF

c) Conflux Technologies Pvt. Ltd.

(B) Transaction with the above related parties			(₹ in Lakhs)
Transactions with Directors and KMP			
Name	Nature of Transaction	2022-2023	2021-2022
Amit Jain	Remuneration and commission	340.00	322.00
Rajiv Jain	Remuneration and commission	340.00	322.00
Neha Agarwal	Salary	3.00	3.00
Mr. Jatin Chhabra	Sitting Fees	0.98	1.06
Dharmendra Saxena	Sitting Fees	0.21	0.31
Lalit Kumar Jain	Sitting Fees	1.05	1.00
Nayan Ambali	Sitting Fees	0.77	0.60
Amita Gill	Sitting Fees	0.77	0.25
Shashank Vyas	Sitting Fees	0.07	-
Transactions with Other Parties			
Shweta Jain	Salary	36.00	27.85
Shilpa Ajmera	Salary	36.00	27.85
Conflux Technologies Pvt. Ltd.	Web Rent Exp	94.02	61.72

(C) Outstanding Balances of the above related parties -	2022-2023	2021-2022
Receivable/(Payable)		
Amit Jain	(55.00)	(44.00)
Rajiv Jain	(55.00)	(44.00)
Conflux Technologies Pvt. Ltd.	(8.51)	(6.79)
(D) Compensation of KMP	2022-2023	2021-2022
(i) Short term benefits	683.00	647.00
(ii) Long term benefits	-	-

41. Disclosure as per Ind AS 116: Leases

The company lease primarily consist of leases for office premises. These agreements are generally renewable on mutually agreed terms.

Practical Expedients applied:

The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.

Leases		(₹ In Lakhs)
Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Movement of ROU Asset		
Balance at beginning of the year	-	-
Additions	91.29	-
Deletions	-	-
Gross Carrying value of asset	91.29	-
Less: Depreciation of ROU Assets	34.24	-
Net carrying value/Balance at end of the year	57.05	-
(ii) Movement of Lease Liabilities		
Balance at beginning of the year	-	-
Additions	89.19	-
Finance cost accrued during the period	7.97	-
Deletions	-	-
Paid/ payable lease liabilities	38.40	-
Balance at end of the year	58.75	-
(iii) Maturity Analysis of Lease Liability		
Contractual undiscounted cashflows:	-	-
Less than one year	34.18	-
One to Three years	24.57	-
Three to five years	-	-
More than five years	-	-
Total undiscounted lease liability	58.75	-
(iv) Amount Recognised in Profit and Loss		
Interest on lease liabilities	7.97	-
Depreciation of ROU Assets	34.24	-
Expenses related to short term leases	291.58	218.39
Total expense booked in P&L	333.79	218.39

42. Disclosure as per Ind AS 19 'Employee Benefits'

A) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. During the year company has recognised the following amounts in the statement of profit and loss account:

		(₹ In Lakhs)
Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Contributions to		
Provident and other funds	431.56	239.12
Total	431.56	239.12

B) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary) for each completed year of service subject to a maximum of ₹20 Lakhs on retirement, resignation, termination, disablement or on death, in accordance with Payment of Gratuity Act, 1972. Present value of gratuity obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Change in plan assets		
Fair value of plan assets at the beginning of the period	215.35	146.71
Actual return on plan assets	11.44	10.05
Mortality	-	-
Employer contribution	0.00	61.02
Benefits paid	(13.61)	(2.43)
Fair value of plan assets at the end of the period	213.18	215.35
(ii) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	145.33	80.20
Current service cost	67.49	56.28
Interest cost	10.38	5.37
Past service cost	-	-
Benefits paid	(13.61)	(2.43)
Actuarial (gains)/losses	(22.67)	5.90
Defined benefit obligation, end of the year	186.92	145.33
(iii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	186.92	145.33
Fair value of plan assets	(213.18)	(215.35)
Net liability	(26.26)	(70.02)
(iv) Expenses recognized in Statement of Profit or Loss		
Total Service Cost	67.49	56.28
Net Interest cost	(5.00)	(4.46)
Total Expense recognised in statement of profit or loss	62.49	51.83
(v) Remeasurements recognized in other comprehensive income		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(1.75)	(7.85)
Experience adjustments	(16.98)	13.53
Total Actuarial (Gain) / Loss recognised in OCI	(18.73)	5.68
(vi) Maturity Profile of Defined Benefit Obligation		
0 to 1 Year	5.19	3.64
1 to 2 Year	7.12	4.91
2 to 3 Year	7.63	6.27
3 to 4 Year	9.05	6.66
4 to 5 Year	9.23	7.21
5 to 6 Year	8.67	6.78
6 Year onwards	140.04	109.85
(vii) Sensitivity Analysis for significant assumptions*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	186.92	145.33
0.5% increase in salary escalation rate	12.52	10.05
0.5% decrease in salary escalation rate	(11.59)	(9.17)
0.5% increase in discount rate	(11.65)	(9.32)
0.5% decrease in discount rate	12.89	10.34
(viii) Actuarial Assumptions		
Discount rate (p.a)	7.39%	6.55%
Salary Escalation Rate (p.a.)	7.00%	10.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition Rate	6.00%	6.00%

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

C) Compensated absences

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment if he has rendered continuous service of five years or more. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is determined based on actuarial valuation using the projected unit credit method. A provision ₹ 87.61 lakh for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- a. Changes in Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- b. Salary increase risk - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- c. Life expectancy - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- d. Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

43. Disclosure as per Ind AS-107 'Financial Instruments'

Financial Risk Management

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its sub committees including the Audit Committee, the Asset Liability Supervisory Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

Company is exposed to following risk from the use of its financial instrument:

- Credit Risk
- Liquidity Risk
- Market Risk
- Concentration Risk
- Interest Rate Risk
- Operational Risk

(i) Credit risk

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Loan Asset:

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential

customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

Cash & Cash Equivalents, Bank Deposits & Other Financial assets:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/ financial institutions who have been assigned high credit rating by international and domestic rating agencies.

The Company held cash and cash equivalents of ₹ 3798.32, ₹ 6998.74 lakhs on 31st March 2023 , 31st March 2022 respectively and other deposits with banks and financial institutions of ₹ 503.96 , ₹ 910.39 Lakhs on 31st March 2023, 31st March 2022 respectively.

(ii) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company is in retail lending business in all over India.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2023.

Carrying amount of maximum credit risk as on reporting date

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss		
Loans	89,588.66	73,494.65
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss		
Loans	2,720.45	3,436.40
Total	92,309.12	76,931.05

(iii) Liquidity Risk

"Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise 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 caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company manages liquidity risk by maintaining adequate cash and bank balances and access to undrawn committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities."

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
As at 31st March 2023					
Borrowings	-	43,441.13	32,275.03	-	75,716.16
Debt Securities	-	2,548.91	-	-	2,548.91
Subordinated Liabilities	-	508.81	1,000.00	1,000.00	2,508.81
Trade and Other Payables	-	17.05			17.05
Other Financial Liabilities	-	2,877.53			2,877.53
Total	-	49,393.43	33,275.03	1,000.00	83,668.46
As at 31st March 2022					
Borrowings	-	32,376.32	37,975.06	-	70,351.38
Debt Securities	-	-	2,545.50	-	2,545.50
Subordinated Liabilities	-	7.82	1,500.00	-	1,507.82
Trade and Other Payables	-	11.23	-	-	11.23
Other Financial Liabilities	-	2,088.75	-	-	2,088.75
Total	-	34,484.12	42,020.56	-	76,504.67

(iv) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk. The objective of the company is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Interest Rate Risk

"The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans."

Interest Rate Exposure:			(₹ In Lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
A. Fixed Rate Borrowings	29,257.94	26,686.40	
B. Floating Rate Borrowings	51,515.94	47,718.30	
Total Borrowings	80,773.88	74,404.70	

Fair Value Sensitivity analysis for Fixed rate -Instrument

The Company does not account for any Fixed rate -Financial Asset and Financial Liabilities at Fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity analysis for Variable rate -Instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	(₹ In Lakhs)			
	Year Ended 31st March 2023		Year Ended 31st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings (Floating)	51,515.94	51,515.94	47,718.30	47,718.30
Increase in basis points (1%)	515.16	515.16	477.18	477.18
Decrease in basis points (1%)	(515.16)	(515.16)	(477.18)	(477.18)

(vi) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

"The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events."

44. Capital Management

For the purpose of Company's Capital Management, Capital includes issued equity share capital & Borrowings. The primary objective of Company's Capital Management is to maximize shareholder's value and to maintain an appropriate capital structure of debt and equity. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants. The company manages its capital using Debt to Equity Ratio which is Net Debt/Total Equity. Net Debt is total borrowing (Non-current and current) less cash and cash equivalent.

Particulars	(₹ In Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Borrowings	80,773.88	74,404.70
Less: Cash and Cash Equivalents	3,798.32	6,998.74
Net Debt	76,975.56	67,405.96
Total Equity	23,670.97	19,672.05
Net Debt to Equity Ratio	3.25	3.43

45. Disclosure as per Ind AS 108: Operating Segments

a) The managing Director (MD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108 "Operating Segments". The Company's Operating segments are established in the manner consistent with the components of company that are evaluated regularly by the CODM. The company is engaged primarily in the business of financing and operates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns.

b) Geographical Information

The Company operates in a single geographical area - India (country of domicile).

All of the Company's non current assets are located in India.

c) Information about major customers

During the year ended 31st March 2023 and 31st March 2022, there is no single customer contributes 10% or more to the Company's revenue.

46. Disclosure as per Ind AS-113 'Fair Value Measurements'

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

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.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This Includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

Level 2 - The fair value of financial instruments that are not traded in active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Valuation Techniques : The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy of assets & liabilities as at March 31, 2023

				(₹ In Lakhs)
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	90,368.52	90,368.52
Investments	587.62	-	-	587.62
Total	587.62	-	90,368.52	90,956.14
Financial Liabilities				
Debt Securities	-	-	2,548.91	2,548.91
Borrowings (Other than Debt Securities)	-	-	75,716.16	75,716.16
Subordinated Liabilities	-	-	2,508.81	2,508.81
Total	-	-	80,773.88	80,773.88

Fair value measurement hierarchy of assets & liabilities as at March 31, 2022

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	74,614.92	74,614.92
Investments	559.91	-	-	559.91
Total	559.91	-	74,614.92	75,174.83
Financial Liabilities				
Debt Securities	-	-	2,545.50	2,545.50
Borrowings (Other than Debt Securities)	-	-	70,351.38	70,351.38
Subordinated Liabilities	-	-	1,507.82	1,507.82
Total	-	-	74,404.70	74,404.70

(a) Financial Instruments by category

(₹ in lakhs)

Particulars	As at 31st March 2023		
	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost			
Loans	3	90,368.52	90,368.52
Financial Assets at Fair Value through Profit and Loss			
Investments	1	587.62	587.62
Financial Liabilities at Amortised Cost			
Debt Securities	3	2,548.91	2,548.91
Borrowings	3	75,716.16	75,716.16
Subordinated Liabilities	3	2,508.81	2,508.81

Particulars	As at 31st March 2022		
	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost			
Loans	3	74,614.92	74,614.92
Financial Assets at Fair Value through Profit and Loss			
Investments	1	559.91	559.91
Financial Liabilities at Amortised Cost			
Debt Securities	3	2,545.50	2,545.50
Borrowings	3	70,351.38	70,351.38
Subordinated Liabilities	3	1,507.82	1,507.82

47. Transfer of Financial Assets

Transferred financial assets that are not derecognized in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued securities. Securitisation has resulted in the continued recognition of the securitised assets. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Carrying amount of transferred assets measured at amortised cost (Total Pool Amount)	5,002.22	-
Carrying amount of associated liabilities (Investor Part)	4,501.99	-

Assignment Deal:

During the year ended 31st March 2023, the Company has sold certain loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition:

(₹ in lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Carrying value of derecognised financial asset	13,522.29	23,100.72
Gain from derecognition	1,969.77	4,082.42
Total	15,492.06	27,183.14

48. The title deeds of all the immovable properties disclosed in the financial statements (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

49. There are no Loans that have been granted to Promoter, Director, KMP or other Related Parties (as defined in Companies Act 2013)

Loans to Directors, Senior Officers and relatives of Directors

(₹ in lakhs)

Particulars	Current Year	Previous Year
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

50. There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

51. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts and summary of reconciliation thereof is disclosed below :-

	(₹ in lakhs)			
Particulars	Apr 2022 to June 2022 (Q1)	July 2022 to Sept 2022 (Q2)	Oct 2022 to Dec 2022 (Q3)	Jan 2023 to Mar 2023 (Q4)
Balance as per Statement filed with Bank/Financial Institution	65,562.12	68,787.06	66,413.45	73,876.97
Add: Revert				0.11
Less : Back dated input	-	0.01	0.00	29.49
Less : Member Reject	-	-	-	4.91
Less : Death Case	-	-	-	-
Less: Write-off	-	-	0.45	-
Balance as per Books of Accounts	65,562.12	68,787.05	66,412.99	73,842.67

52. The company is not declared wilful defaulter by any bank or financial institution or other lender.

53. The company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956,

54. Company has registered all the charges or satisfaction thereof with ROC within the statutory period.

55. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

56. Ratios

Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Variance	Reason for variance (if above 25%)
(a) Capital to risk weighted asset ratio (CRAR)	Tier I capital + Tier II capital	Risk weighted asset	25.80%	22.98%	12.26%	-
(b) Tier I CRAR	Tier I capital	Risk weighted asset	22.81%	19.81%	15.16%	-
(c) Tier II CRAR	Tier II capital	Risk weighted asset	2.99%	3.18%	-6.16%	-
(d) Liquidity Coverage Ratio	Total Asset matured within 12 month	Total Liability matured within 12 month	1.34	1.45	-7.33%	-

The Liquidity Coverage Ratio (LCR) is disclosed herewith as per the applicability of Schedule III of the Companies Act, 2013. However, The Reserve Bank of India (RBI) has also issued a circular regarding Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies ref. no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4.11.2019, introducing guidelines on liquidity risk management for non-banking financial companies (NBFCs). Henceforth, the Company does not meet the criteria for LCR applicability, and therefore, the disclosure provisions related to LCR are not applicable to the Company.

57. There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

58. a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds (which are material either individually or in the aggregate) 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.

59. The Company has not entered into any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

60. The Company has not traded nor invested in Crypto currency or Virtual Currency during the financial year.

61. Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2023 is ₹ 14.08 lakhs. (as on March 31, 2022 is 6.79 Lakhs). The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

62. Details Of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings During The Year

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2022-23	2021-22
Term Loan Rating	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Term Loan Rating	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	BBB /Stable	
Cash Credit & OD facility	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024	A3+	
Non-Convertible Debentures	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024	BBB /Stable	
Bank Facilities	Brickwork Ratings India Private Limited	Sept. 08, 2021	Sept. 08, 2022		BBB+
Bank Facilities	Brickwork Ratings India Private Limited	Feb. 28, 2022	Feb. 28, 2023		BBB+
Non-Convertible Debentures	Brickwork Ratings India Private Limited	Mar 02, 2022	Mar 02, 2023		BBB+

63. Disclosure on Liquidity Risk:

1. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ In Lakhs)	% of Total deposits	% of Total Liabilities
As at March 31, 2023	26	80,773.88	0%	95.30%
As at March 31, 2022	28	74,404.70	0%	96.31%

2. Top 20 large deposits (amount in ₹ lakhs and % of total deposits) :

3. Top 10 borrowings

Particulars	Amount (₹ in Lakh)	%
As at March 31, 2023	59,721.31	73.94%
As at March 31, 2022	53,011.61	71.25%

4. Funding Concentration based on significant instrument/product :

Name of the instrument/ product	As at March 31, 2023		As at March 31, 2022	
	Amount (₹ lakh)	% of Total Liabilities	Amount (₹ lakh)	% of Total Liabilities
a) Term Loan	75,716.16	89.33%	70,351.38	91.07%
b) Non-Convertible Debenture	2,548.91	3.01%	2,545.50	3.29%
c) Optionally Convertible Preference Shares	-	0.00%	-	0.00%
d) Cash Credit	-	0.00%	-	0.00%
e) Subordinated Liabilities	2,508.81	2.96%	1,507.82	1.95%
Total	80,773.88	95.30%	74,404.70	96.31%

5. Stock Ratios:

Particulars	As at March 31, 2023			As at March 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	-	-	-	-	-	-
b) Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
c) Other short-term liabilities, if any	NA	3.68%	2.88%	NA	2.87%	2.28%

6. Institutional set-up for liquidity risk management:

Digamber Capfin Limited (DCL) has an Assets Liability Supervisory Committee (ALCO), a Board level sub-Committee to oversee liquidity risk management. ALCO consists of Managing Director, Executive Director and Chief Financial Officer. The ALCO Meetings are held once in 3 months. DCL has a Risk Management Committee (RMC) a sub-committee of the Board, which oversee overall risks to which the company is exposed including risk management. The ALCO and RMC also updates the Board at regular intervals.

64. Capital Adequacy Ratio

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Tangible Net worth(1)	23,670.97	19,672.05
Less: Deferred Tax Asset and Intangible Assets	(65.00)	(9.30)
Less: First Loss Credit enhancement	(250.11)	(82.77)
Less: Unrealised gain on sold portfolios	(1,308.00)	(2,671.35)
Tier 1 Capital (1-2)= (3)	22,047.86	16,991.40
Tier 2 Capital (Provision on Asset and discounted subordinated liabilities) (4)	2,890.48	2,733.36
Total Capital Fund (3+4)= (5)	24,938.34	19,724.76
Adjusted value of funded risk assets (on balance sheet item) (6)	96,665.22	85,835.00
Adjusted value of non-funded risk assets (off Balance sheet item) (7)	-	-
Total Risk Weighted assets (6+7)= (8)	96,665.22	85,835.00
CRAR/CAR(5/8)	25.80%	22.98%

65. Provision and Contingencies (Show under the head expenditure in statement of Profit and Loss)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provisions for depreciation on Investment	-	-
Impairment on financial instruments	(375.54)	1,299.14
Provision for Tax	1,665.64	1,015.09
Provision for Gratuity	-	-
Provision for Leave Encashment	87.61	-
Provision for Expenses	210.41	138.05
Total	1,588.12	2,452.28

66. NPA Movement

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Net NPA's to Net Advance %	0.99%	1.71%
Movement of NPAs (Gross)		
Opening Balances	3,436.40	2,547.94
Add: Additions during year and change in existing	3,857.36	3,447.48
Less: Reductions during year	(4,573.31)	(2,559.02)
Closing Balance	2,720.45	3,436.40
Movement of NPAs (Net)		
Opening Balances	1,273.85	2,104.05
Add: Additions during year and change in existing	4,191.32	1,728.83
Less: Reductions during year	(4,573.31)	(2,559.02)
Closing Balance	891.87	1,273.85
Movement of provision for NPAs		
Opening Balances	2,162.55	443.90
Provision made during the year	-	1,718.65
Write-off/Write back of excess	333.96	-
Closing Balance	1,828.59	2,162.55

67. Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines On securitisation transactions issued by RBI vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1.00	1.00
Total amount of securitised assets as per books of the SPEs	4,576.23	946.83
Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
• First loss		
• Others		
b) On-balance sheet exposures		
• First loss	500.22	344.87
• Others		
Amount of exposures to securitization transactions other than MRR (FD)		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss		
• Others		
ii) Exposure to third party securitisations		
• First loss		
• Others		
b) On-balance sheet exposures		
i) Exposure to own securitisations		
• First loss		
• Others	500.22	165.54
ii) Exposure to third party securitisations		
• First loss		
• Others		
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	4,501.99	2,414.14
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
(a) liquidity support	-	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
Cash Collateral		
(a) Amount paid	-	-
(b) Repayment received	-	-
(C) Outstanding amount	500.22	165.54
liquidity support (bank part)		
(a) Amount paid	4,501.99	2,414.14
(b) Repayment received	427.47	1,915.64
(C) Outstanding amount	4,074.52	498.50
Servicing agent (total Portfolio)		
(a) Amount paid	5,002.22	2,759.02
(b) Repayment received	425.99	1,812.19
(C) Outstanding amount	4,576.23	946.83
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	0.00%	3.06%

Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		-
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding		-

68. Disclosures pursuant to RBI Notification - RBI /DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated 24 September 2021

Particulars	As at 31st March 2023	As at 31st March 2022
Number of Loan Accounts assigned	38,959	58,965
Amount of Loan Accounts assigned (Rs. In 'Lakhs')	15,132.38	25,853.90
Number of Transactions	2	3
Weighted Average Maturity (Remaining) (Months)	22.19	25.04
Weighted Average Holding (After Origination) (Months)	9.02	8.94
Retention of Beneficial Economic Interest (MRR)	10.00%	10.00%
Coverage of Tangible Security Coverage	NA	NA
Rating wise Distribution of rated Loans	Unrated	Unrated
No. of Instances (Transactions) where transferor has agreed to replace the transferred loans	NA	NA
No of Transferred Loans Replaced	NA	NA

69. CONCENTRATION OF ADVANCES		(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022
Total Advances to twenty largest borrowers	15.37	16.22
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.02%	0.02%

70. CONCENTRATION OF EXPOSURES		(₹ in lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure to twenty largest borrowers / customers	15.37	16.22
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.02%	0.02%

71. CONCENTRATION OF NPAs		
Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure to top four NPA accounts	2.24	2.56

72. Sector-wise NPA		(in %)
Particular	2022-23	2021-22
Agriculture & allied activities	2.00%	2.37%
MSME	0.95%	1.29%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Other - Social Infrastructure	0.00%	0.00%
Total	2.95%	3.67%

*Ratio calculated is based on overdue portion of advances only.

73. Detail of Impairment Loss Allowance Reserve

(A) As at 31st March, 2023:

(₹ in lakhs)

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
Performing Assets						
Standard	Stage I	88,428.79	87.41	88,341.38	-	87.41
	Stage II	1,159.87	24.60	1,135.27	-	24.60
Subtotal		89,588.66	112.01	89,476.65	-	112.01
Non-Performing Assets (NPA)						
Substandard	Stage III	847.02	423.51	423.51	145.90	277.61
Doubtful	Stage III	1,873.44	1,405.08	468.36	1,103.48	301.60
Subtotal for NPA		2,720.45	1,828.59	891.87	1,249.38	579.20
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage I	88,428.79	87.41	88,341.38	-	87.41
	Stage II	1,159.87	24.60	1,135.27	-	24.60
	Stage III	2,720.45	1,828.59	891.87	1,249.38	579.20
Total		92,309.12	1,940.59	90,368.52	1,249.38	691.21

(B) As at 31st March, 2022:

(₹ in lakhs)

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
Performing Assets						
Standard	Stage I	69,903.39	69.30	69,834.09	-	69.30
	Stage II	3,654.41	84.28	3,570.13	-	84.28
Subtotal		73,557.80	153.58	73,404.22	-	153.58
Non-Performing Assets (NPA)						
Substandard	Stage III	1,659.01	829.51	829.50	446.59	382.91
Doubtful	Stage III	1,777.39	1,333.04	444.35	930.25	402.79
Subtotal for NPA		3,436.40	2,162.55	1,273.85	1,376.84	785.70
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage I	69,903.39	69.30	69,834.09	-	69.30
	Stage II	3,654.41	84.28	3,570.13	-	84.28
	Stage III	3,436.40	2,162.55	1,273.85	1,376.84	785.70
Total		76,994.20	2,316.13	74,678.07	1,376.84	939.29

74. Details of penalties imposed by RBI and other regulators:

No penalties have been imposed by RBI and other regulators on the Company during the current and previous year. "However, during the period under review, the following fines were imposed on the Company by BSE Limited, Stock Exchange of India:

- On September 28, 2022 the BSE Limited imposed a fine of Rs. 11,800/- (Rupees Eleven Thousand Eight Hundred Only) for the delay in submission of the notice of Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015.
- On October 31st, 2022 the BSE Limited imposed a fine of Rs. 5900/- (Rupees Five Thousand Nine Hundred Only) for the delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities as per Regulation 50(2) of the SEBI (LODR) Regulations, 2015.

It is hereby submitted that both the incidences took place due to inadvertence. The Company has taken suitable steps to avoid happening of such events in future

75. Schedule to the balance sheet of a Non-Deposit Taking Non-Banking Financial Company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lakhs)

Particulars	Amount outstanding	Amount overdue
Liabilities side		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
a) Debentures (other than falling within the meaning of public deposits*)		
: Secured	2,548.91	-
: Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	75,716.16	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Subordinated Liabilities	2,508.81	-
h) Other Loans (specify nature)	-	-
(Unsecured Loan from Director & Relatives)		
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid :		
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of Security	-	-
c) Other public deposits	-	-
Assets side		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
a) Secured		-
b) Unsecured		90,368.52
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors :		-
a) Financial lease		-
b) Operating lease		-
(ii) Stock on hire including hire charges under sundry debtors :		-
a) Assets on hire		-
b) Repossessed Assets		-
(iii) Other loans counting towards asset financing activities		-
a) Assets on hire		-
b) Repossessed Assets		-
5. Break-up of Investments		
Current Investments		
1. Quoted		-
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		587.62
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
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 (please specify)		-

2. Unquoted	-
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount (Net of Provisions)	
	Unsecured	Total
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than Related Parties	90,368.52	90,368.52
Total	90,368.52	90,368.52

7. 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)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than Related Parties	587.62	587.62
Total	587.62	587.62

8. Other Information

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	2,720.45
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	891.87
iii) Assets acquired in satisfaction of debt	-

76. Disclosure as required under RBI notification no.RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 on "Resolution Framework for COVID-19-related Stress":

(₹ in lakhs)

Type of borrower (A)	No. Of Loans as on 01st April 2022	(A)	(B)	(C)	(D)	No. Of Loans as on 31st March 2023	(E)
		Exposure to Account Classified as Standard asset consequent to the implementation of resolution plan - Position as on 01st April 2022	Of (A), aggregate debt that slipped into NPA during the year ended 31st March 2023	Of (A), amount written off during the year ended 31st March 2023#	Of (A), amount paid by the borrower during the year ended 31st March 2023^		Exposure to Account Classified as Standard asset consequent to the implementation of resolution plan - Position as on 31st March 2023
Personal Loans (IML)	17.00	1.56	-	0.07	1.49	-	-
Corporate persons*	-	-	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-	-	-
Joint Liability Group	4,920.00	273.81	4.15	57.12	212.41	3.00	0.13
Total	4,937.00	275.38	4.15	57.19	213.90	3.00	0.13

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

77. NET INTEREST MARGIN

Particulars	For the Year Ended	
	March 31, 2023	March 31, 2022
Average interest (a)	26.03%	21.75%
Average effective cost of borrowing (b)	13.42%	13.97%
NET INTEREST MARGIN (a-b)	12.61%	7.78%

78. Disclosure as required under RBI notification no.RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

No. of accounts restructured	Amount (₹ in Lakhs)
-	-

79. Exposure to Capital Market

The Company has no exposure to capital market as on March 31, 2023 and March 31, 2022.

80. Exposure to Real Estate Sector

The Company has no exposure to real estate sector as on March 31, 2023 and March 31, 2022.

81. Sectoral exposure

(₹ in lakhs)

Sectors	March 31, 2023			March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	96,788.66	4,016.49	4.15%	91,250.60	2,895.07	3.17%
2. Small Business	17,416.03	1,512.99	8.69%	11,609.93	1,580.34	13.61%
3. Social Infrastructure	55.72	3.07	5.51%	38.13	0.31	0.81%
Total	1,14,260.41	5,532.55	4.84%	1,02,898.66	4,475.72	4.35%

82. Intra-group Exposures

The Company has no Intra-group exposure as on March 31, 2023 and March 31, 2022.

83. Unhedged foreign currency exposure

The Company has no Unhedged foreign currency exposure as on March 31, 2023 and March 31, 2022.

84. Related Party Disclosure

(₹ in lakhs)

Related Party	Key Management Personnel		Relatives of Key Management Personnel		Director		Enterprises in which Director are interested		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Borrowings	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Others										
Remuneration and commission	680.00	644.00	-	-	-	-	-	-	680.00	644.00
Salary	3.00	3.00	72.00	55.70	-	-	-	-	75.00	58.70
Sitting Fees	-	-	-	-	3.85	3.22	-	-	3.85	3.22
Web Rent Exp Paid	-	-	-	-	-	-	94.02	61.72	94.02	61.72
Web Rent Exp O/S	-	-	-	-	-	-	8.51	6.79	8.51	6.79

The Company do not have any Parent, Subsidiary, Associate or Joint Venture. Hence information related to the same is not provided in the above table.

85. Capital

	(₹ in Lakhs)	
Particulars	March 31, 2023	March 31, 2022
CRAR (%)	25.80%	22.98%
CRAR- Tier I Capital (%)	22.81%	19.81%
CRAR- Tier II Capital (%)	2.99%	3.18%
Amount of subordinated debt raised as Tier-II capital	1200	500
Amount raised by issue of Perpetual Debt Instruments	0	0

86. Investments

	(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	587.62	559.91
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	587.62	559.91
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provision made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

87. Derivatives

- a) The Company has not dealt in any market linked or non market linked derivative.
- b) The Company has not entered into any forward Rate Agreement / Interest Rate Swap for derivative.
- c) The Company has not entered into any exchange traded derivative.
- d) The Company has not enter into any transactions or have any exposure in derivatives. Therefore, the disclosures on risk exposure in derivatives - Qualitative Disclosure, are not applicable.

88. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction

Particulars	As at March 31, 2023	As at March 31, 2023
i) No. of Accounts	13,570	-
ii) Aggregate value (net of provisions) of accounts sold*	4,502.00	-
iii) Aggregate consideration	4,502.00	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
iv) Aggregate gain / loss over net book value	-	-

* Impact of ECL provision not considered since all sold Id's are on time.

89. Details of assignment transactions

	(₹ in lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
i) No. of Accounts	38,959	58,965
ii) Aggregate value (net of provisions) of accounts sold*	13,619.14	23,268.51
iii) Aggregate consideration	13,619.14	23,268.51
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

* Impact of ECL provision not considered since all sold Id's are on time.

90. The Company has not purchased and sold any non-performing financial assets during the financial year ended March 31, 2023 and March 31, 2022

91. ASSET LIABILITY MANAGEMENT (ALM)

As on 31st March , 2023

Particulars	1 to 7 Days	8 to 14 Days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month upto 6 month	Over 6 Month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
Asset										
Advances	100.00	150.00	4,888.42	4,465.11	4,966.19	14,870.58	28,396.63	31,751.73	-	2,720.46
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	3,845.32
Cash and Bank including Investments	1,706.03	800.00	1,797.24	-	75.39	103.23	1,558.88	3,064.47	1,002.16	25.07
EIS Asset	-	-	324.33	371.05	319.68	743.97	856.80	261.41	-	-
Other Assets	279.06	279.21	297.70	13.78	15.33	47.34	146.99	106.38	-	23.38
Total	2,085.09	1,229.21	7,307.69	4,849.94	5,376.59	15,765.12	30,959.30	35,183.99	1,002.16	6,614.23
Liabilities										
Borrowings	1,027.70	327.09	4,408.23	3,142.13	4,433.20	11,281.07	20,759.62	33,957.75	348.70	1,088.37
Other Liabilities	115.42	673.17	2,023.67	30.43	255.27	322.94	371.16	28.33	0.00	167.51
Reserves and Surplus	-	-	-	-	-	-	-	-	-	24,623.87
Equity Share Capital	-	-	-	-	-	-	-	-	-	987.69
Total	1,143.12	1,000.26	6,431.90	3,172.56	4,688.47	11,604.01	21,130.78	33,986.08	348.70	26,867.44
Surplus/(Deficit)	941.97	228.95	875.79	1,677.38	688.12	4,161.11	9,828.52	1,197.91	653.46	(20,253.21)
Cumulative Surplus/(Deficit)	941.97	1,170.92	2,046.71	3,724.09	4,412.21	8,573.32	18,401.84	19,599.75	20,253.21	-

As on 31st March, 2022

Particulars	1 to 7 Days	8 to 14 Days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month upto 6 month	Over 6 Month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
Asset										
Advances	141.17	423.51	2,372.63	3,084.43	3,123.94	9,172.35	17,776.60	38,520.28	-	2,316.13
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	3,465.00
Cash and Bank including Investments	2,490.53	3,502.04	1,035.53	129.17	190.14	749.98	1,631.79	3,065.69	605.13	0.54
EIS Asset	-	-	-	856.65	842.19	716.32	1,008.31	563.86	-	-
Other Assets	67.92	128.92	32.08	18.81	17.91	802.43	111.89	220.75	-	57.48
Total	2,699.62	4,054.47	3,440.24	4,089.06	4,174.18	11,441.08	20,528.59	42,370.58	605.13	5,839.15
Liabilities										
Borrowings	1,149.19	367.96	1,350.62	3,049.44	2,939.49	8,328.05	15,198.86	41,425.99	594.57	0.54
Other Liabilities	100.47	177.34	95.63	8.10	-	-	2,013.80	-	-	453.87
Reserves and Surplus	-	-	-	-	-	-	-	-	-	21,000.49
Equity Share Capital	-	-	-	-	-	-	-	-	-	987.69
Total	1,249.66	545.30	1,446.25	3,057.54	2,939.49	8,328.05	17,212.66	41,425.99	594.57	22,442.59
Surplus/(Deficit)	1,449.96	3,509.17	1,993.99	1,031.52	1,234.69	3,113.03	3,315.93	944.59	10.56	(16,603.44)
Cumulative Surplus/(Deficit)	1,449.96	4,959.13	6,953.12	7,984.64	9,219.33	12,332.36	15,648.29	16,592.88	16,603.44	-

92. As per Accounting Standard 21 - Consolidated Financial Statement (CFS) - A Parent Company, presenting the CFS, should consolidate the financial statements of all the Subsidiaries, Associates or Joint Ventures. The Company do not have any Parent, Subsidiary, Associate or Joint Venture. Hence Company not required to prepare CFS. There is no financing of parent Company products during the year ended on March 31, 2023 and March 31, 2022.

93. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

These Limit are not applicable since the asset size of company is above Rs. 500 crore.

94. The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended March 31, 2023 and March 31, 2022.

95. The Company is not registered under any other regulator other than Reserve Bank of India. The Company had obtained its licence from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September, 2013 vide registration No. RBI B-10.00099.

96. Remuneration of non-executive directors

			(₹ in Lakhs)
Name of Director	Nature of Payment	As at March 31, 2023	As at March 31, 2022
Mr. Jatin Chhabra	Sitting Fees	0.98	1.06
Dharmendra Saxena	Sitting Fees	0.21	0.31
Lalit Kumar Jain	Sitting Fees	1.05	1.00
Nayan Ambali	Sitting Fees	0.77	0.60
Amita Gill	Sitting Fees	0.77	0.25
Shashank Vyas	Sitting Fees	0.07	-

97. There is no significant uncertainty which requires postponement of revenue recognition

98. Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

99. Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during the year ended March 31, 2023 and March 31, 2022.

100. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at March 31, 2023	As at March 31, 2022
1. Number of complaints pending at the beginning of the year	-	-
2. Number of complaints received during the year	32	76
3. Number of complaints disposed during the year	32	76
3.1 of which, No. of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

101. Top five grounds of complaints received by the NBFCs from customers

Grounds of Complaints, (i.e. Complaints relating to)	Number of Complaints pending at the beginning of the year	Number of Complaints received during the year	% Increase/ Decrease in the number of Complaints received over the previous year	Number of Complaints Pending at the end of the year	Of 5, number of Complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1 NOC not received	-	8	Decrease in 50%	-	-
Ground - 2 Loan Closure	-	6	increase in 50%	-	-
Ground - 3 Loan installment	-	4	Decrease in 66.67%	-	-
Ground - 4 Loan Status	-	10	-	-	-
Ground - 5 Moratorium period amount	-	3	-	-	-
Total	-	31	-	0	0
Previous Year					
Ground - 1 NOC not received	-	16	-	-	-
Ground - 2 Disbursement	-	25	-	-	-
Ground - 3 Loan installment	-	12	-	-	-
Ground - 4 Loan repayment	-	6	-	-	-
Ground - 5 Loan Closure	-	4	-	-	-
Total	-	63	-	-	-

102. Instances of fraud

(₹ in lakhs)

For the year ended 31st March, 2023				
Nature of Fraud	No. of cases	Amount of Fraud	Recovery*	Amount Provided
Cash Embezzlement	4	2.22	0.60	1.62

For the year ended 31st March, 2022				
Nature of Fraud	No. of cases	Amount of Fraud	Recovery	Amount Provided
Cash Embezzlement	3	3.24	-	3.24

* This includes Recovery of Rs. 0.37 lakhs for the year 2022-23 (Rs. 0.22 for the earlier years)

103. Instances of Robbery/Theft/Dacoity/Burglary/Extortion

(₹ in lakhs)

For the year ended 31st March, 2023				
Nature	No. of cases	Amount	Recovery	Amount Provided
Robbery	-	-	-	-
Extortion	-	-	-	-
Theft*	-	-	0.34	-
Total	-	-	0.34	-

* This Recovery is related to the financial year 2021-22.

For the year ended 31st March, 2022				
Nature	No. of cases	Amount	Recovery	Amount Provided
Robbery	3.00	0.56	0.23	0.33
Extortion	1.00	0.42	-	0.42
Theft	3.00	1.05	-	1.05
Total	7.00	2.03	0.23	1.80

104. The Reserve Bank of India (RBI) has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework') through Circular No. RBI/2021- 22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 issued in October 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL). The Company has been classified as a "Middle Layer" NBFC in accordance with the Framework

105. The Company does not qualify as a Large Corporate based on the criteria outlined in SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

106. Additional notes

- a. Earnings in foreign currency during the year ended March 31, 2023: Nil (year ended March 31, 2022 - Nil)
- b. Expenditure in foreign currency on account of professional fees during the year ended March 31, 2023: Nil (year ended March 31, 2022 - Nil)
- c. Expenditure in foreign currency on account of payment of interest during the year ended March 31, 2023: Nil (year ended March 31, 2022 - Nil)
- d. The Company does not have any exposure to gold loans, and it is not involved in gold auctions.
- e. The Company is registered as a non-deposit accepting NBFC, and as a result, it has not accepted any deposits. Therefore, there is no requirement for disclosure regarding deposits in the financial statements.
- f. The Company has not Pledge its any Equity Share against any Loan.

107. Draw Down from Reserves

No reserves have been draw down during the financial year 2022-23 and 2021-22 except as disclosed in the part (b) of statement of changes in equity

108. Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/disclosure.

For better understanding and presentation of financial statement a reconciliation statement o reclassification made from previous year financial statement is provided below:

Previous Year Classification	Current Year Classification	Amount(₹ in lakhs)
Loan Asset	Other Financial Asset	441.11
Other Payable	Provisions	42.42
Term Loan From Bank	Other Loan- Securitisation	498.51
Bank Balance other than Cash and Cash Equivalents	Other Financial Asset	1,406.03

Section II
(Applicable for annual financial statements of NBFC-ML and NBFC-UL)

109. (A) Corporate Governance

1) Composition of the Board

Sl. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directors/ps	Remuneration			No. of shares held in the NBFC
					Held	Attended		Salary and other compensation (Rs. In lakhs)	Sitting Fee (Rs. In lakhs)	Commission (Rs. In lakhs)	
1	a) Mr. Rajiv Jain	17-04-1995	Executive	00416121	7	7	-	240	-	100	25,55,927
2	b) Mr. Amit Jain	17-04-1995	Executive	00416133	7	6	-	240	-	100	23,46,981
3	c) Mr. Lalit Kumar Jain	30-09-2016	Independent	07517615	7	5	3	-	1.05	-	-
4	d) Mr. Nayan Ambali**	27-05-2022	Non- Executive	03312980	7	5	2	-	0.77	-	-
5	e) Mr. Jatin Chhabra	21-01-2019	Non- Executive	08271333	7	6	-	-	0.98	-	1,03,300
6	f) Dr. Amita Gill	12-02-2021	Independent	09066022	7	5	-	-	0.77	-	-
7	g) Mr. Shashank Vyas*	14-11-2022	Nominee	09789867	3	1	-	-	0.07	-	-

"Note-

*Mr. Dharmendra Saxena ceased to be director as his nomination was withdrawn by SIDBI w.e.f. 14/11/2022

*Mr. Shashank Vyas was appointed as Nominee Director w.e.f. 14/11/2022

**Mr. Nayan Ambali was appointed w.e.f. 28/08/2018 as Additional Independent Director and regularised w.e.f. 25/09/2018 as Independent Director . He resigned as Independent Director w.e.f. closing hours of 26/05/2022. Further, he was appointed as Additional Non Executive Director w.e.f. 27/05/2022 and regularised as Non Executive Director w.e.f. 30/09/2022

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

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter Nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective Date
1	Nayan Ambali	Independent Director	Resignation	26-05-2022
2	Nayan Ambali	Non Executive Director	Appointment	27-05-2022
3	Dharmendra Saxena	Nominee Director	Resignation	14-11-2022
4	Shashank Vyas	Nominee Director	Appointment	14-11-2022

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

- Mr. Nayan Ambali resigned from the post of Independent Director as his name was removed from independent director database."

"Details of any relationship amongst the directors inter-se shall be disclosed.

- Mr. Amit Jain brother of Mr. Rajiv Jain

- Mr. Rajiv Jain brother of Mr. Amit Jain"

2) Committees of the Board and their composition

Committee	Sl. No.	Name of Director/ Management Personnels	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
					Held	Attended	
1	Executive Committee	1. Rajiv Jain	27-04-2017	Chairperson	16	16	2555927
		2. Amit Jain	27-04-2017	Member	16	16	2346981
		3. Jatin Chhabra	21-01-2019	Member	16	1	103300
2	Audit Committee	1. Lalit Kumar Jain	03-10-2016	Chairperson of Committee	4	2	0
		2. Amita Gill*	05-07-2022	Member	3	3	0
		3. Nayan Ambali*	21-01-2019	Member	4	4	0
		Amita Gill was appointed as the member of the Committee w.e.f 05/07/2022 Nayan Ambali ceased to be the member of the Committee w.e.f. closing hours of 26/05/2022. He was further reappointed w.e.f. 05/07/2022 Jatin Chhabra ceased to be the member of Committee w.e.f. closing hours of 05/07/2022					
3	Nomination and Remuneration Committee	1. Lalit Kumar Jain	03-10-2016	Chairperson of Committee	3	2	0
		2. Rajiv Jain	03-10-2016	Member	3	3	2555927
		3. Jatin Chhabra	21-01-2019	Member	3	3	103300
		4. Amita Gill*	05-07-2022	Member	2	2	0
		Amita Gill* was appointed as the member of the Committee w.e.f. 05/07/2022 Nayan ambali cease to be member of committee with effect from end of business hours of May 26,2022					
4	Corporate Social Responsibility Committee	1. Rajiv Jain	02-07-2018	Chairperson of Committee	2	2	2555927
		2. Amit Jain	02-07-2018	Member	2	2	2346981
		3. Jatin Chhabra	18-07-2019	Member	2	2	103300
		4. Lalit Kumar Jain	02-07-2018	Member	2	2	0
5	Credit Committee	1. Virendra Kumar Bhargava	03-10-2016	Chairperson of Committee	4	2	24000
		2. Dharmendra Kumar jangid	03-10-2016	Member	4	4	24000
		3. Preeti Verma	03-10-2016	Member	4	4	0
		4. Subhash Kumawat	03-10-2016	Member	4	4	0
6	Asset-Liability Management Committee	1. Rajiv Jain	15-03-2019	Chairperson of Committee	4	4	2555927
		2. Amit Jain	15-03-2019	Member	4	3	2346981
		3. Lalit Kumar Jain	14-02-2022	Member	4	4	0
		4. Virendra Kumar Bhargava	15-03-2019	Member	4	3	24000
		5. Dharmendra Kumar jangid	15-03-2019	Member	4	3	24000
		6. Shashank Y. Kumar	29-06-2021	Member	4	4	0
		7. Naman Mehta	29-06-2021	Member	4	4	0
		8. Neha Agarwal	15-03-2019	Member	4	2	0
		Jatin Chhabra ceased to be member of committee w.e.f. Closing hours of 5th July 2022					
7	Incentive Distribution Committee	1. Rajiv Jain	25-01-2020	Chairperson of Committee	0	0	2555927
		2. Amit Jain	25-01-2020	Member	0	0	2346981
		3. Virendra Kumar Bhargava	25-01-2020	Member	0	0	24000
		4. Dharmendra Kumar jangid	25-01-2020	Member	0	0	24000
8	Internal Complaint Committee	1. Kamini Sharma	24-08-2021	Chairperson of Committee	0	0	0
		2. Bharti Sukhyani	24-08-2021	Member	0	0	0
		3. Virendra Kumar Bhargaw	24-08-2021	Member	0	0	24000
		4. Srikant Bohara	24-08-2021	Member	0	0	0
		5. Charu Gupta	24-08-2021	Member	0	0	0

9	Investigation Committee	1.	Virendra Kumar Bhargava	08-09-2020	Chairperson of Committee	0	0	24000
		2.	Neha Agarwal	08-09-2020	Member	0	0	0
		3.	Om Prakash Dhuwariya	08-09-2020	Member	0	0	0
10	IT Steering Committee	1.	Rajiv Jain	05-01-2021	Chairperson of Committee	1	1	2555927
		2.	Amit Jain	05-01-2021	Member	1	1	2346981
		3.	Virendra Kumar Bhargava	05-01-2021	Member	1	1	24000
		4.	Dharmendra Kumar jangid	05-01-2021	Member	1	1	24000
			Lalit Kumar Jain appointed as Chairman of Committee w.e.f. 05-July-2022 Nayan Ambali cease to be Chairman w.e.f. End of Business hours of May 26,2022 and Appointed as Member w.e.f. 5 July 2022					
11	IT Strategy Committee	1.	Lalit Kumar Jain	05-07-2022	Chairperson of Committee	2	0	0
		2.	Nayan Ambali	05-01-2021	Member	2	1	0
		3.	Rajiv Jain	05-01-2021	Member	2	2	2555927
		4.	Amit Jain	05-01-2021	Member	2	2	2346981
		5.	Virendra Kumar Bhargava	05-01-2021	Member	2	1	24000
		6.	Dharmendra Kumar Jangid	05-01-2021	Member	2	2	24000
12	Risk Management Committee	1.	Rajiv Jain	24-04-2016	Chairperson of Committee	4	4	2555927
		2.	Amit Jain	24-04-2016	Member	4	4	2346981
		3.	Virendra Kumar Bhargava	24-04-2016	Member	4	4	24000
		4.	Dharmendra Kumar jangid	24-04-2016	Member	4	4	24000
13	Staff Appraisal Committee	1.	Rajiv Jain	18-07-2019	Chairperson of Committee	10	10	2555927
		2.	Amit Jain	18-07-2019	Member	10	10	2346981
		3.	Virendra Kumar Bhargava	18-07-2019	Member	10	9	24000
		4.	Dharmendra Kumar jangid	18-07-2019	Member	10	10	24000
14	Ombudsman Committee	1.	Virendra Kumar Bhargava	03-10-2016	Chairperson of Committee	17	17	24000
		2.	Dharmendra Kumar jangid	03-10-2016	Member	17	17	24000
		3.	Jugal Kishor Jangid	03-10-2016	Member	17	14	0
15	Project Advisory Committee	1.	Virendra Kumar Bhargava	12-02-2021	Chairperson of Committee	0	0	24000
		2.	Dharmendra Kumar jangid	12-02-2021	Member	0	0	24000
		3.	Preeti Verma	12-02-2021	Member	0	0	0
		4.	(Authorised person/ Nominee SIDBI)	24-08-2021	Member	0	0	0

3) General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Extra Ordinary General Meeting	25/06/2022 J 54-55, Anand Moti, Himmat Naga, Gopalpura, Tonk Road, Jaipur-203018	5
2	Annual General Meeting	30/09/2022 J 54-55, Anand Moti, Himmat Naga, Gopalpura, Tonk Road, Jaipur-203018	2

4) Details of non-compliance with requirements of Companies Act, 2013

There is no any default in compliance with the requirements of Companies Act, 2013.

5) Details of penalties and strictures -

No penalties or stricture imposed on it by the Reserve Bank or any other statutory authority.

"However, during the period under review, the following fines were imposed on the Company by BSE Limited , Stock Exchange of India:

- On September 28, 2022 the BSE Limited imposed a fine of Rs. 11,800/- (Rupees Eleven Thousand Eight Hundred Only) for the delay in submission of the notice of Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015.
- On October 31st, 2022 the BSE Limited imposed a fine of Rs. 5900/- (Rupees Five Thousand Nine Hundred Only) for the delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities as per Regulation 50(2) of the SEBI (LODR) Regulations, 2015.
- It is hereby submitted that both the incidences took place due to inadvertence. The Company has taken suitable steps to avoid happening of such events in future

110. Breach of covenant

There is an instance of breach of covenant for loan availed from Canara Bank. The penal interest of 1% towards financial covenant breach (GNPA<4%) was charged by the bank for the period of 01.07.2022 to 31.03.2023.

111. Divergence in Asset Classification and Provisioning

NBFCs shall disclose details of divergence as per the table given below, if either or both of the following conditions are satisfied:

- the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
- The additional Gross NPAs identified by RBI/NHB exceeds 5 percent of the reported Gross NPAs for the reference period.

Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2023* as reported by the NBFC	2,720.45
2.	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India/ NHB	2,720.45
3.	Divergence in Gross NPAs (2-1)	-
4.	Net NPAs as on March 31, 2023 as reported by the NBFC	891.87
5.	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	1,471.07
6.	Divergence in Net NPAs (5-4)	579.20
7.	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	1,828.59
8.	Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	1,249.38
9.	Divergence in provisioning (8-7)	(579.20)
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	9,119.65
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	3,941.25
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in	4,520.45

*** March 31, 2023 is the close of the reference period in respect of which divergences were assessed**

In terms of our report of even date

For and on behalf of the Board.

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

-sd-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

-sd-
Neha Agarwal
Company Secretary
(PAN - ARAPA6810B)

-sd-
Gaurav Rawat
Partner
M.No. 412724

-sd-
Amit Jain
Whole Time Director & Chief
Financial Officer
DIN:00416133

-sd-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

Date: May 29, 2023

Place: Jaipur

UDIN: 23412724BGWGNI5136

NOTICE OF TWENTY-EIGHTH (28TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT TWENTY- EIGHTH (28TH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF DIGAMBER CAPFIN LIMITED ("THE COMPANY") WILL BE HELD ON TUESDAY, 26TH DAY OF SEPTEMBER, 2023, AT 11:30 A.M. (IST) AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT J 54-55, ANAND MOTI, GOPALPURA, TONK ROAD, JAIPUR-302018, RAJASTHAN TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March 2023, along with the report of Board of Directors and Auditors along with all annexure thereon:

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 comprising of the Audited Balance Sheet as at 31st March, 2023, the Statement of Profit & Loss and Cash Flow Statement and Statement for Change in the Equity Share Capital for the year ended as on 31st March, 2023, together with accounting policies, schedules and notes forming part of the accounts thereon and the Reports of the Board of Directors and Auditors thereon along with all annexure as laid before this Annual General Meeting be and are hereby approved and adopted."

2. To re-appoint Mr. Jatin Chhabra (DIN: 08271333), as Director of the Company who is liable to retire by rotation and being eligible, offers himself for re-appointment:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 152(6) of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **Mr. Jatin Chhabra (DIN: 08271333)**, as the Director of the Company, who is liable to retire by rotation and being eligible offer himself for re-appointment, be and is hereby appointed as Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

3. To re-designate Ms. Shweta Jain as the Head- CSR Activities of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1) & 188 (1)(f) and all other applicable provisions of the Companies Act, 2013 read with the rules prescribed under Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and on the recommendation of Board of Directors of the Company, the consent of members of the Company be and is hereby accorded to re-designate Ms. Shweta Jain from the designation of Finance Head to Head- CSR Activities of the Company, at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum, subject to increase in 5% in the remuneration every year.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the directors of the company, except Mr. Amit Jain, Whole Time Director and Mr. Rajiv Jain, Managing Director of the company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limited to signing of the resolution, as may be considered necessary, proper or desirable for giving effect to the above resolution

4. To re-designate Ms. Shilpa Ajmera as the Head- ESG Activities of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1) & 188 (1)(f) and all other applicable provisions of the Companies Act, 2013 read with the rules prescribed under Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and on the recommendation of Board of Directors of the Company, the consent of members of the Company be and is hereby accorded to re-designate Ms. Shilpa Jain from the designation of IT Head to Head- ESG Activities of the Company, at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum, subject to increase in 5% in the remuneration every year.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the directors of the company, except Mr. Amit Jain, Whole Time Director and Mr. Rajiv Jain, Managing Director of the company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limited to signing of the resolution, as may be considered necessary, proper or desirable for giving effect to the above resolution.”

By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED

Date: **29.08.2023**
Place: **Jaipur**

Sd/-
Neha Agarwal
Company Secretary
Membership No. A35576

NOTES:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a shareholder of the company. The instrument of proxy in order to be effective, should be duly stamped, filled, signed and should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form (Form MGT-11) is enclosed herewith.
2. A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.
3. No person shall be entitled to attend the AGM and/or vote as duly authorized representative of a body corporate, unless a certified true copy of the Board Resolution appointing him/her as a duly authorized representative, is provided to the Company by post addressed to Digamber Capfin Limited Address J 54-55, Anand Moti, Gopalpura, Tonk Road, Jaipur-302018, Rajasthan or sent to the Company Secretary by e-mail to **neha.agarwal@digamberfinance.in** with a cc marked to **compliance@digamberfinance.com** not less than five days before the date of the meeting i.e., 21st day of September, 2023.
4. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at this AGM is annexed hereto.
5. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed with the notice of AGM as per the requirement of secretarial Standard-2 (SS-2) issued by the Institute by the Company Secretaries of India (ICSI) for members to attend meeting physically.
6. The Notice of 28th AGM along with the Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those entitled who have registered their e-mail addresses with the Company / their respective depository participant ('DP'). Accordingly, no physical copy of the Notice of 28th AGM and the Annual Report for the Financial Year 2022-23 will be sent to those who have not registered their e-mail addresses with the Company/ DP. The Members/ Debenture Holders/ Debenture Trustees will be entitled to a physical copy of the Annual Report for the Financial Year 2022-23, upon sending a request to the Company **neha.agarwal@digamberfinance.in** with a cc marked to **compliance@digamberfinance.com** mentioning your folio/DP ID and Client ID
7. The Notice of 28th AGM and the Annual Report are also available on the Company's website at **<https://www.digamberfinance.com/disclosure.php>**
8. Members who have not registered their e-mail address or in change of email address, are requested to register their e-mail address for receiving all communication.
9. Members seeking any information with regard to the Financial Statements, accounts or any matter to be placed at AGM are requested to write to the Company at **neha.agarwal@digamberfinance.in** with a cc marked to **compliance@digamberfinance.com** at least seven days before the date of AGM so as to enable the Management to keep the information ready at the meeting.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.-

For shares held in electronic form: to their Depository Participants (DPs)

For shares held in physical form: to the Company at **neha.agarwal@digamberfinance.in** with a cc marked to **compliance@digamberfinance.com**

11. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, which include easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

12. The Company has obtained electronic connectivity services from CDSL Ventures Limited for dematerialization of its Equity Shares. Accordingly, the Company has been allotted ISINs for Equity Shares. In this respect, the members of the Company are advised to get the shares held by them dematerialized. The brief procedure for dematerialization is stated below for your reference:
- a) Shareholders have to approach to their DP and fill the Demat Request Form and lodge it to the DP along with the original share certificate.
 - b) Further; DP will process the documents and generate the demat request electronically and will send the same to RTA system and will forward the documents to Company for further process / verification.
 - c) After receipt and verification of the documents, Company shall provide mandated Report and confirmation to RTA, RTA will then verify the details and process the Electronic Demat Request from system.
 - d) As soon as RTA process the Demat request from system, within couple of hours shares will be credited into respective shareholder's Demat account.

Members can contact the Company for assistance in this regard.

13. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio No. in the attendance slip for attending the meeting.
14. The particulars of Employees remuneration shall be made available to any shareholder on a specific request made by him in writing before the date of such Annual General Meeting wherein financial statements for the relevant financial year are proposed to be adopted by shareholders and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.
15. The facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in dematerialized form and to the Company in case the shares are held in physical form. Blank forms will be supplied on request of the shareholders.
16. The SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020, has fixed 31st March, 2021 as the Cut-off date for re-lodgement of Transfer Deeds and any request received after 31st March, 2021 cannot be accepted unless the securities are held in dematerialized form.
17. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
18. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm on all working days except on holidays. Any member seeking to inspect such registers can send their request to us at e-mail id neha.agarwal@digamberfinance.in with cc marked to compliance@digamberfinance.com

By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED

Sd/-
Neha Agarwal
Company Secretary
Membership No. A35576

Date: 29.08.2023
Place: Jaipur

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS:

ITEM NO. 3: TO RE-DESIGNATE MS. SHWETA JAIN AS THE HEAD- CSR ACTIVITIES OF THE COMPANY

The Company believes in responsible and sustainable business practices. The provisions of Corporate Social Responsibility (CSR) is applicable on the Company in the financial year 2023-2024. So, the Company is required to obligate the CSR Expenditure in the activities to be undertaken in the areas or subjects specified in Schedule VII of the Companies Act, 2013. Company can make contribution to the implementing agencies for incurring the expenses for fulfilment of the project while for few projects, the Company may directly make payment to the beneficiaries and for this company is required to collect all the required documents/information from the recipients of CSR contribution. Further, the Company needs to monitor the implementation of the CSR projects/ programs/activities, including any ongoing project, if any, with the approved timelines and year wise allocation as per the CSR Policy and ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and the Rules made thereunder from time to time. Henceforth, it is necessary to have a person dedicatedly working for the achievement of these objectives.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 29, 2023 has approved the re-designation of Ms. Shweta Jain from the designation of Finance Head to Head-CSR Activities of the Company at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum with annual increment in remuneration of 5.00% subject to the approval of shareholders of the Company

The details of remuneration paid in the previous financial year 2022-23 are as follows:

Remuneration limit as per the Extra-Ordinary General Meeting held on 25.06.2022	Remuneration paid during the FY 2022-23
Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum	Rs. 36,00,000/- (Rupees Thirty-Six Lakhs Only)

Pursuant to the provisions of Section 188 of the Companies Act, 2013, it is necessary to obtain the approval of the shareholders of the Company for the approval of related party transactions. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit.

Ms. Shweta Jain is the wife of Mr. Amit Jain, Whole-time Director & CFO of the Company and falls under the preview of the definition of "Relative" as per Section 2(76) of Companies Act, 2013 along with rules prescribed. Therefore, this re-designation requires consent of members in the General Meeting.

The Directors commend the passing of the resolution under Item No.3 of the accompanying Notice for the approval of the members of the company by passing special Resolution.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives, except Mr. Rajiv Jain, Chairman & Managing Director of the Company and Mr. Amit Jain, Whole-time Director & CFO of the Company are concerned or interested in the passing of the above resolution.

ITEM NO. 4: TO RE-DESIGNATE MS. SHILPA AJMERA AS THE HEAD- ESG ACTIVITIES OF THE COMPANY

The Company believes in responsible and sustainable business practices. Therefore, to achieve sustainability in the business and to achieve the highest standard in all the elements of Environment, Social, and Governance (ESG) practices against global standards. To ensure that the ESC policy adopted by the company is followed in letter and spirit and to monitor the implementation of ESG Committee, it is necessary to have a person dedicatedly working for the achievement of these objectives. On the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 29, 2023 has approved the re-designation of Ms. Shilpa Ajmera from the designation of IT Head to Head- CSR Activities of the Company at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum with annual increment in remuneration of 5.00% subject to the approval of shareholders of the Company.

The details of remuneration paid in the previous financial year 2022-23 are as follows:

Remuneration limit as per the Extra-Ordinary General Meeting held on 25.06.2022	Remuneration paid during the FY 2022-23
Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum	Rs. 36,00,000/- (Rupees Thirty-Six Lakhs Only)

Pursuant to the provisions of Section 188 of the Companies Act, 2013, it is necessary to obtain the approval of the shareholders of the Company for the approval of related party transactions. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit.

Ms. Shilpa Ajmera is the wife of Mr. Rajiv Jain, Chairman & Managing Director of the Company of the Company and falls under the preview of the definition of "Relative" as per Section 2(76) of Companies Act, 2013 along with rules prescribed. Therefore, this re-designation requires consent of members in the General Meeting.

The Directors commend the passing of the resolution under Item No.4 of the accompanying Notice for the approval of the members of the company by passing special Resolution.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives, except Mr. Rajiv Jain, Chairman & Managing Director of the Company and Mr. Amit Jain, Whole-time Director & CFO of the Company are concerned or interested in the passing of the above resolution.

By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED

Sd/-

Neha Agarwal
Company Secretary
Membership No. A35576

Date: 29.08.2023
Place: Jaipur

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative" in Corporate Governance by allowing paperless compliance by companies through electronic mode. In accordance with the circulars bearing No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs, Companies can send various notices/documents including Notice calling Annual General Meeting, Audited Financial Statements, Director's Report, Auditor's Report etc. for the financial year 2022-2023 (28th Annual Report), to their shareholders through electronic mode, to the registered e-mail address of the shareholders.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 28th Annual General Meeting alongwith Annual Report of the company has been uploaded on the website of the Company at **www.digamberfinance.com**.

This is opportunity for every shareholder of **DIGAMBER CAPFIN LIMITED** (The Company) to contribute to the Green Initiative of the Company. In furtherance of the initiative, the company proposes to send all communication and notices/documents at the registered e-mail id of the shareholders. However, in case you wish to receive the above communication/documents in physical mode or have not registered the e-mail address, you may send your request for getting the communications/documents in hard copy and for getting your e-mail registered at e-mail id neha.agarwal@digamberfinance.in with cc marked to compliance@digamberfinance.com.

FORM MGT-11

PROXY FORM

[PURSUANT TO SECTION 105 (6) OF THE COMPANIES ACT, 2013 AND RULE 19 (3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

CIN:	U67120RJ1995PLC009862
Name of the Company:	DIGAMBER CAPFIN LTD
Registered Office:	J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No./ Client Id:	
DP Id:	

I/We, being the member(s) holding _____ equity shares of the above named company, hereby appoint-

1. _____ of _____ having mail ID _____ or failing him
2. _____ of _____ having mail ID _____ or failing him
3. _____ of _____ having mail ID _____

and whose signature(s) are appended below as my/our proxy to attend and vote (only on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Tuesday, 26th September, 2023 at 11:30 A.M. at the registered office of the Company at J 54-55, Anand Moti, Gopalpura, Tonk Road, Jaipur-302018 and at any adjournment thereof in respect of such resolutions as are indicated below:

(Please put a (✓) in the appropriate column as indicated below. If you leave columns blank in any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.)

Resolution No.	Subject Matter	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March 2023, along with the report of Board of Directors and Auditors along with all annexure thereon		
2.	To re-appoint Mr. Jatin Chhabra (DIN: 08271333), as the Managing Director of the Company who is liable to retire by rotation and being eligible, offer himself for re-appointment		
Special Business			
3.	To re-designate Ms. Shweta Jain as the Head- CSR Activities of the Company		
4.	To re-designate Ms. Shilpa Ajmera as the Head- ESG Activities of the company		

Signed this----- day of ----- 2023

**Affix Rs. 1
Revenue
Stamp**

Signature of shareholder

Signature of Proxy holder

Signature across the stamp

Notes:

- This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- A Proxy need not be a member of the Company.

ATTENDANCE SLIP

Name of the Company:	DIGAMBER CAPFIN LTD
Registered Office:	J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018

Name of the member(s):		
Name of the Proxy:		
Postal address:		
Regd. Folio No.:		No. of shares:
DP- Client ID:		No. of shares:

I certify that I am registered shareholder/proxy for the registered Shareholder of the Company.

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held on Tuesday, September 26, 2023 at 11:30 A.M. at the Registered office of the Company situated at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018.

Member's / Proxy's name in Block Letters: _____

Signature of the Shareholder/Proxy

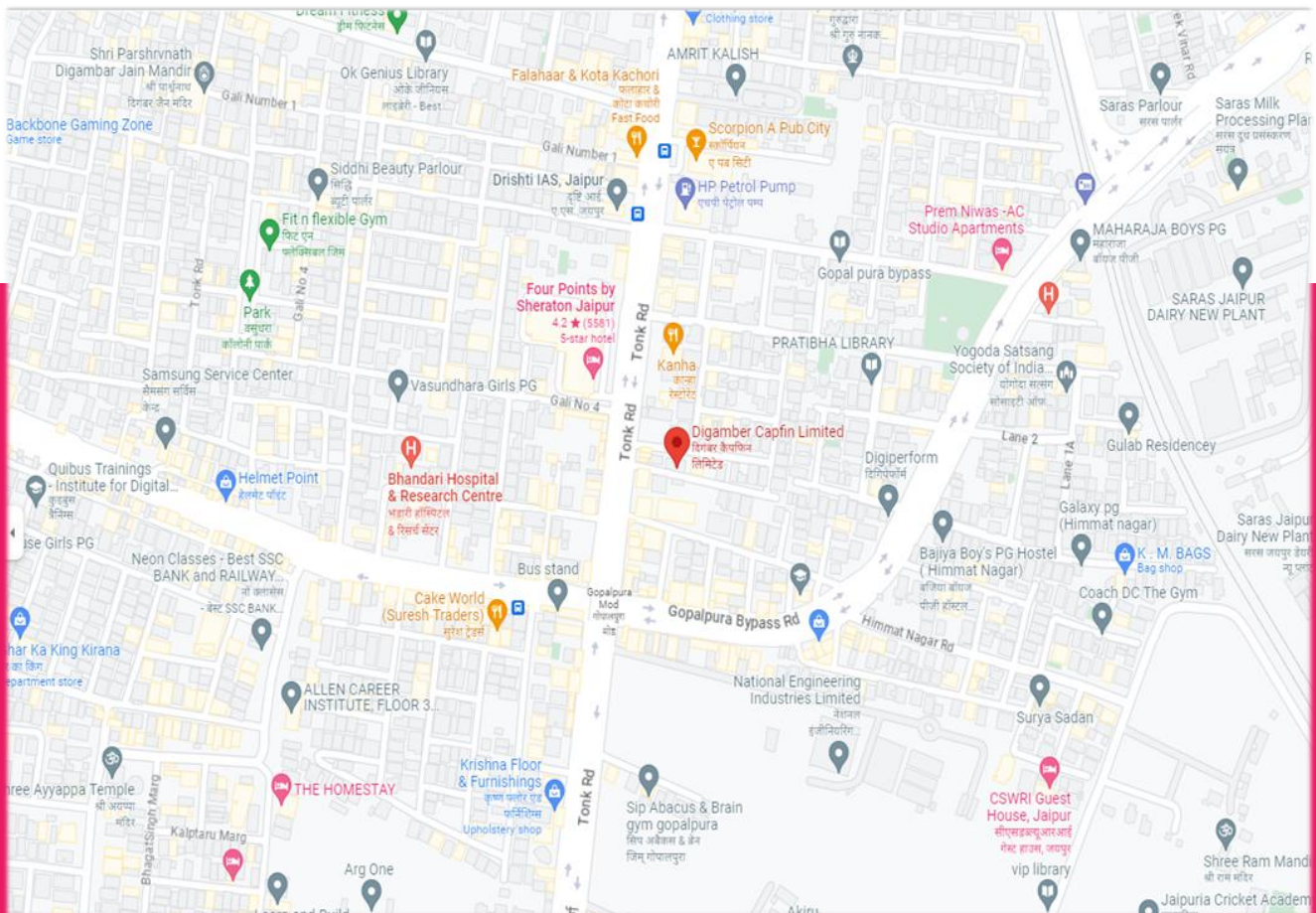
Note: Please fill this attendance slip and hand it over at the entrance of the meeting hall.

ROUTE MAP

Venue of the Meeting: J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018

Prominent Landmark: Kanha Restaurant, Tonk Road, Jaipur.

Route Map: The Mark indicating the venue of Annual General Meeting





Digamber hai jahan
Sapne saakar ho wahan