


**BOB FINANCIAL SOLUTIONS LIMITED**  
**CIN: U65990MH1994GOI081616**  
**Balance Sheet as at 31st March 2023**  
(Figure in Rupees in millions, unless otherwise stated)

| Particulars   | Notes | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|-------|------------------------|------------------------|
| <b>I ASSETS</b>   |       |                        |                        |
| <b>1 Financial assets</b>   |       |                        |                        |
| Cash and cash equivalents   | 4     | 1,330.70               | 695.97                 |
| Bank balance other than above   | 5     | 0.14                   | 0.12                   |
| Trade receivables   | 6     | 535.20                 | 238.44                 |
| Loans   | 7     | 29,302.51              | 12,454.50              |
| Investments   | 8     | -                      | -                      |
| Other financial assets  | 9     | 1,193.14               | 150.00                 |
| <b>2 Non-financial assets</b>   |       |                        |                        |
| Inventories   |       | 50.95                  | 29.64                  |
| Deferred tax assets (net)   | 10    | 644.85                 | 494.14                 |
| Property, plant and equipment   | 11    | 41.75                  | 30.48                  |
| Right-of-use assets   | 12    | 87.14                  | 63.55                  |
| Intangible assets under development   | 13    | 8.34                   | 0.63                   |
| Other intangible assets   | 14    | 132.67                 | 160.09                 |
| Other non-financial assets  | 15    | 1,303.82               | 867.73                 |
| <b>Total assets</b>   |       | <b>34,631.21</b>       | <b>15,185.29</b>       |
| <b>II LIABILITIES AND EQUITY</b>  |       |                        |                        |
| <b>Liabilities</b>  |       |                        |                        |
| <b>1 Financial liabilities</b>  |       |                        |                        |
| <b>Payables</b>   |       |                        |                        |
| Trade Payables  | 16    |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       |       | 4.49                   | 15.45                  |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 418.75                 | 139.07                 |
| Debt securities   | 17    | 1,497.04               | 995.02                 |
| Borrowings (other than debt securities)   | 18    | 20,341.62              | 10,116.57              |
| Other financial liabilities   | 19    | 303.71                 | 230.81                 |
| <b>2 Non-financial liabilities</b>  |       |                        |                        |
| Provisions  | 20    | 1,585.52               | 666.67                 |
| Other non-financial liabilities   | 21    | 656.54                 | 212.22                 |
| <b>Total liabilities</b>  |       | <b>24,807.67</b>       | <b>12,375.81</b>       |
| <b>Equity</b>   |       |                        |                        |
| Equity share capital  | 22    | 9,750.00               | 2,750.00               |
| Other equity  | 23    | 73.54                  | 59.48                  |
| <b>Total equity</b>   |       | <b>9,823.54</b>        | <b>2,809.48</b>        |
| <b>Total liabilities and equity</b>   |       | <b>34,631.21</b>       | <b>15,185.29</b>       |
| The accompanying notes are an integral part of the financial statements                     | 1-56  |                        |                        |

As per our report of even date  
For S G C O & Co. LLP  
Chartered Accountants  
[Firm Registration No. 112081W/W100184]

  
Suresh Murarka  
Partner  
(Membership No. 044739)

Place: Mumbai  
Date: 3rd May 2023



For and on behalf of the Board of Directors  
BOB Financial Solutions Limited

  
Sanjiv Chadha  
Chairman  
(DIN:08368448)

  
Pooja Karnani  
Chief Financial Officer  
(PAN:AHEPB7049P)

Place: Mumbai  
Date: 3rd May 2023

  
Shailendra Singh  
Managing Director & CEO  
(DIN: 08623335)

  
Deepashri Cornelius  
Company Secretary  
(PAN:BVLPS3134E)

**BOB FINANCIAL SOLUTIONS LIMITED**

CIN: U65990MH1994GOI081616

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

(Figure in Rupees in millions, unless otherwise stated)

| Particulars   | Notes      | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---|------------|-------------------------------------|-------------------------------------|
| <b>Revenue from operations</b>  |            |                                     |                                     |
| (i) Interest income   | 24         | 3,640.86                            | 1,854.09                            |
| (ii) Income from fees and services                                      | 25         | 4,784.59                            | 2,963.31                            |
| (iii) Income from Consultancy   |            | 11.26                               | 111.08                              |
| (iv) Business development incentives                                    |            | 221.66                              | 27.53                               |
| <b>(I) Total revenue from operations</b>                                |            | <b>8,658.37</b>                     | <b>4,956.01</b>                     |
| (II) Other income   | 26         | 163.47                              | 40.52                               |
| <b>(III) Total income (I + II)</b>                                      |            | <b>8,821.84</b>                     | <b>4,996.53</b>                     |
| <b>Expenses</b>   |            |                                     |                                     |
| (i) Finance cost  | 27         | 1,183.61                            | 441.19                              |
| (ii) Impairment on financial instruments                                | 28         | 1,645.96                            | 1,028.84                            |
| (iii) Employee benefit expenses   | 29         | 584.87                              | 564.83                              |
| (iv) Depreciation, amortization and impairment                          | 10 11 & 12 | 80.98                               | 151.14                              |
| (v) Operating and Other expenses  | 30         | 5,307.81                            | 2,870.12                            |
| <b>(IV) Total expenses (IV)</b>   |            | <b>8,803.23</b>                     | <b>5,056.12</b>                     |
| <b>(V) Profit/(loss) for the period (III-IV)</b>                        |            | <b>18.61</b>                        | <b>(59.59)</b>                      |
| <b>Tax Expense:</b>   | 31         |                                     |                                     |
| (a) Current tax   |            | 153.66                              | 98.07                               |
| (b) Deferred tax (credit)   |            | (150.31)                            | (53.37)                             |
| <b>(VI) Total Tax expense</b>   |            | <b>3.35</b>                         | <b>44.70</b>                        |
| <b>Profit/(loss) for the year (V - VI)</b>                              |            | <b>15.26</b>                        | <b>(104.29)</b>                     |
| <b>(VII) Other comprehensive income</b>                                 |            |                                     |                                     |
| <b>A Items that will not be reclassified to profit or loss</b>          |            |                                     |                                     |
| Remeasurement gain/(loss) on defined benefit plan                       |            | (1.60)                              | 4.35                                |
| Income tax impact   |            | 0.40                                | (1.09)                              |
| <b>Total (A)</b>  |            | <b>(1.20)</b>                       | <b>3.26</b>                         |
| <b>B Items that will be classified to profit or loss</b>                |            |                                     |                                     |
| Reclassification adjustments to statement of profit and loss            |            | -                                   | -                                   |
| Income tax impact   |            | -                                   | -                                   |
| <b>Total (B)</b>  |            | <b>-</b>                            | <b>-</b>                            |
| <b>Other comprehensive income (A + B)</b>                               |            | <b>(1.20)</b>                       | <b>3.26</b>                         |
| <b>(VIII) Total comprehensive income for the year</b>                   |            | <b>14.06</b>                        | <b>(101.03)</b>                     |
| <b>(IX) Earnings per equity share</b>                                   |            |                                     |                                     |
| Basic (Rs.)   | 32         | 0.03                                | (0.41)                              |
| Diluted (Rs.)   |            | 0.03                                | (0.41)                              |
| The accompanying notes are an integral part of the financial statements | 1-56       |                                     |                                     |

As per our report of even date  
For S G C O & Co. LLP  
Chartered Accountants  
[Firm Registration No. 112081W/W100184]

Suresh Murarka  
Partner  
(Membership No. 044739)



Place: Mumbai  
Date: 3rd May 2023



For and on behalf of the Board of Directors  
BOB Financial Solutions Limited

Sanjiv Chadha  
Chairman  
(DIN:08368448)

Pooja Karnani  
Chief Financial Officer  
(PAN:AHEPB7049P)

Place: Mumbai  
Date: 3rd May 2023

Shallendra Singh  
Managing Director & CEO  
(DIN: 08623335)

Deepashri Cornelius  
Company Secretary  
(PAN:BVLPS3134E)

**BOB FINANCIAL SOLUTIONS LIMITED**

CIN: U65990MH1994GOI081616

**Cash Flow statement for the year ended March 31, 2023**

(Figure in Rupees in millions, unless otherwise stated)

| Particulars   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| <b>Operating activities</b>   |                                     |                                     |
| Profit before tax   | 18.61                               | (59.59)                             |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i>        |                                     |                                     |
| Depreciation & amortisation   | 80.98                               | 151.14                              |
| Impairment on financial instruments   | 1,645.96                            | 1,028.84                            |
| Loss / (Profit) on Property, Plant and Equipment                            | 0.66                                | (0.06)                              |
| Write off of fixed assets   | 0.23                                | 0.77                                |
| Interest on lease liabilities   | 6.51                                | 5.17                                |
| Income from mutual fund   | (13.01)                             | (5.34)                              |
| Finance cost  | 1,177.10                            | 436.02                              |
| <b>Operating Profit Before Working Capital Changes</b>                      | <b>2,917.04</b>                     | <b>1,556.96</b>                     |
| <b>Working capital changes</b>  |                                     |                                     |
| (Decrease)/ Increase in trade payables                                      | 268.71                              | 82.29                               |
| (Decrease)/ Increase in other financial liabilities                         | 72.89                               | 60.23                               |
| (Decrease)/ Increase in other non financial liabilities                     | 444.31                              | (18.75)                             |
| (Decrease)/ Increase in provisions  | 917.25                              | 232.75                              |
| (Increase)/ Decrease in Financial assets loans                              | (18,493.97)                         | (6,053.04)                          |
| (Increase)/ Decrease in Other financial assets                              | (1,043.14)                          | (10.37)                             |
| (Increase)/ Decrease in Inventory   | (21.31)                             | (28.64)                             |
| (Increase)/ Decrease in other non financial assets                          | (580.67)                            | (227.21)                            |
| (Increase)/ Decrease in trade receivables                                   | (296.76)                            | 125.47                              |
| Income tax paid   | (60.20)                             | (60.20)                             |
| <b>Net cash flows from/(used in) operating activities</b>                   | <b>(18,792.89)</b>                  | <b>(5,897.47)</b>                   |
| <b>Investing activities</b>   |                                     |                                     |
| Purchase of property, plant & equipment ("PPE") including intangible assets | (46.54)                             | (149.10)                            |
| Sale proceeds from PPE  | 0.65                                | 0.06                                |
| Fixed Deposit   | (0.02)                              | (0.12)                              |
| Purchase of Investments   | (27,994.60)                         | (12,369.75)                         |
| Sale Proceed from Investments   | 28,007.61                           | 12,375.09                           |
| <b>Net cash flows from/(used in) investing activities</b>                   | <b>(32.90)</b>                      | <b>(143.82)</b>                     |
| <b>Financing activities</b>   |                                     |                                     |
| Repayment of / Proceed from Borrowings (other than debt securities)         | 10,225.06                           | 7,531.92                            |
| Issue of Equity share   | 7,000.00                            | 1,000.00                            |
| Proceed from debt securities  | 17,300.00                           | 11,500.00                           |
| Repayment of debt securities  | (16,797.98)                         | (14,569.26)                         |
| Interest on lease liabilities   | (6.51)                              | (5.17)                              |
| Interest paid   | (1,177.10)                          | (436.02)                            |
| <b>Net cash generated/(used in) financing activities</b>                    | <b>16,543.47</b>                    | <b>5,021.46</b>                     |
| <b>Net increase in cash and cash equivalents</b>                            | <b>634.73</b>                       | <b>537.13</b>                       |
| Cash and cash equivalents as at the beginning of the year                   | 695.97                              | 158.84                              |
| <b>Cash and cash equivalents as at the end of the year</b>                  | <b>1,330.70</b>                     | <b>695.97</b>                       |

**Note:**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian accounting standard (Ind AS) - 7 - 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Amendment Rules, 2016.



**Statement of changes in equity**  
 (Figure in Rupees in millions, unless otherwise stated)

| <b>A. Equity Share capital</b>                  |  | <b>Number of shares</b> | <b>Amount</b>   |
|---|--|-------------------------|-----------------|
| <b>Particular</b>                               |  |                         |                 |
| <b>Balance as at 1 April 2021</b>               |  | <b>17,50,00,000</b>     | <b>1,750.00</b> |
| Changes in equity share capital during the year |  | 10,00,00,000            | 1,000.00        |
| <b>Balance as at 31 March 2022</b>              |  | <b>27,50,00,000</b>     | <b>2,750.00</b> |
| Changes in equity share capital during the year |  | 70,00,00,000            | 7,000.00        |
| <b>Balance as at 31 March 2023</b>              |  | <b>97,50,00,000</b>     | <b>9,750.00</b> |

| <b>B. Other Equity</b>                         |                          | <b>Reserves and Surplus</b> |  | <b>Total</b> |
|--|--------------------------|-----------------------------|--|--------------|
| <b>Particular</b>                              | <b>Statutory Reserve</b> | <b>Retained Earnings</b>    |  |              |
| <b>Balance as at 1 April 2021</b>              | 352.17                   | (191.66)                    |  | 160.51       |
| Add: Loss for the year                         | -                        | -                           |  | -            |
| Add: Other comprehensive income                | -                        | 3.26                        |  | 3.26         |
| Transfer to/from retained earnings             | -                        | (104.29)                    |  | (104.29)     |
| <b>Balance as at 31 March 2022</b>             | <b>352.17</b>            | <b>(292.69)</b>             |  | <b>59.48</b> |
| Add: Loss for the year                         | -                        | -                           |  | -            |
| Add: Other comprehensive income                | -                        | (1.20)                      |  | (1.20)       |
| <b>Total Comprehensive Income for the year</b> |                          |                             |  | <b>-</b>     |
| Transfer to/from retained earnings             | -                        | 15.26                       |  | 15.26        |
| Transfer to Statutory Reserve                  | 4.65                     | (4.65)                      |  | -            |
| <b>Balance as at 31 March 2023</b>             | <b>356.82</b>            | <b>(283.28)</b>             |  | <b>73.54</b> |



## BOB FINANCIAL SOLUTIONS LIMITED

### Accounting Policies

#### Note 1: Corporate Information

BOB Financial Solutions Limited is a wholly owned subsidiary of Bank of Baroda and a Non-Deposit accepting Systemically Important Non-Banking Finance Company ("NBFC-ND-SI"), holding a Certificate of Registration from the Reserve Bank of India ("RBI"). The Company is engaged in the business of issuing credit cards to consumers in India.

During the year ended March 2023, Company has issued 19 tranches of listed Commercial Papers which are listed on Bombay Stock Exchange (BSE). This was first ever listed issuance by the Company.

#### Note 2: Basis of preparation and presentation

##### a. Basis of preparation

The accompanying financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) (amendments) Rules, 2016 and as amended from time to time. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. 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 periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3 - Significant accounting judgements, estimates and assumptions.

##### b. Basis of measurement

The financial statements have been prepared in accordance with Indian Accounting standards (Ind AS) on the basis of Going Concern concept and under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair value at the end of each reporting period, and in accordance with the accounting policies set out below which are in conformity with Ind As. These policies have been consistently applied throughout the year.

##### c. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in millions and rounded off to the nearest two decimals, except when otherwise indicated.



**d. Presentation of financial statements**

The financial statements of the Company are presented in order of liquidity and as per Division III of the Schedule III to of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 32- Maturity analysis of assets and liabilities. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

**e. Statement of Compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

**Note 3: Significant accounting policies**

**3.1. Revenue from operations**

The Company's operating revenues are comprised principally of service revenues such as interest income on financial assets i.e. Overdue credit card outstanding/EMI balances, fee earned, target incentive offered by network partner, service charges from merchant establishment, rental income from machines deployed, income from consultancy services etc. Other fee and charges include cheque bounce charge, late fees, over limit fees etc.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding taxes or duties collected on behalf of the Government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue includes the following:

**a) Interest Income**

Interest income includes interest income on overdues from credit card holders and on EMI based advances.

Interest income and expense for all financial instruments, excluding those classified as held for trading or designated at fair value are recognised in 'Interest income' and 'Finance expense' in the statement of profit and loss using the effective interest rate method. In view of uncertainty of realization of



income in case of credit impaired assets, such income is accounted for only on receipt basis. Recovery from impaired debts written off is recognised as income based on actual realisations from customers

**b) Income from fees and services**

The Company sells credit card membership to card holders, income earned from the provision of membership services is recognised as revenue over the period for which services are provided, net of reversals/ cancellations.

Revenue from interchange income is recognised when related transaction occurs, or service is rendered. Other service revenue consists of value-add services provided to the card holders. These other service revenues are recognised in the same period in which related transactions occur or services are rendered as revenue is accrued at the point of sale for these services.

**c) Service charges from merchant establishment**

All service charges in the form of commissions (MDR), support fee and POS rental related to merchant operations are recognised in the same period in which related transactions occurs or services are rendered as revenue is accrued at the point of sale for these services.

**d) Other Income**

All other income including income from debit card, consultancy services are recognised in the same period in which related transactions occurs or services rendered at fair value of consideration net off expected reversals/ cancellations as revenue is accrued at the point of sale.

**e) Business Development Incentive**

The Company enters into long-term contracts with network partners for various programs designed to build payments volume, increase product acceptance. Revenue recognition is based on estimated performance and the terms of the business arrangements.

**f) Unidentified receipts/ old balances & Stale cheques**

The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts/ old balances aged up to 3 years is written back as income on balance sheet date. The liability for stale cheques aged for more than three years is written back as income.

**g) Income from Investments**

Excess of sale price over purchase price of mutual fund units is recognised as income at the time of sale.



## 3.2 Expenditure

Expenses are recognised on accrual basis.

a) The incremental cost of acquiring a customer is recognised in the profit and loss statement over the behavioural life of the customer

b) Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Any expenditure which is directly attributable to borrowing is capitalized and amortised over the life of borrowing loan.

### 3.2.1 Retirement and other employee benefits

#### Short term employee benefit

All employee benefits including short term compensated absences and statutory bonus/ performance bonus/incentives payable wholly within twelve months of the end of the period in which the employees render the related services are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

#### Other long-term employee benefit obligations

##### a) Defined contribution schemes

Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

##### b) Defined Benefit schemes

#### Gratuity

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields of Government bonds as on the valuation date.

The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date. The difference, if any, between the actuarial valuation of





the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. the Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements

Net interest expense or income remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.”

#### Leave encashment

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year-end is charged to the Statement of Profit and Loss on an undiscounted basis.

National pension scheme (NPS) The Company makes contributions to National Pension System (NPS), for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to NPS. The contributions payable to NPS by the Company are at rates specified in the rules of the schemes. The share of Companies contribution is charged to profit and loss account.

#### 3.2.2 Other expenses

All Other expenses are recognized in the period they occur.

#### 3.2.3 Taxes

Income tax expense comprises of current and deferred income tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by



the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

#### i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in 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.

#### ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

1. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
2. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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



Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

### **3.3. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

#### **3.3.1 Initial recognition**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### **3.3.2 Initial measurement**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.



A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

### 3.3.3 Classification and Subsequent measurement of financial instruments

#### 1. Financial assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

#### i) Financial assets measured at amortised cost:

These financial assets comprise of bank balances, overdue credit card outstanding/EMI balances, trade receivables, and other financial assets.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii) Financial assets measured at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income (except for investment in equity shares) is reclassified from equity to the income statement.

#### iii) Financial assets measured at fair value through profit and loss:

Financial assets that do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.



Items at fair value through profit or loss comprise:

- a) Investments (including equity shares) and stock in trade held for trading;
- b) Items specifically designated as fair value through profit or loss on initial recognition; and
- c) Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

## 2. Financial Liabilities and Equity Instruments

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

### 2.1 Financial Liabilities

#### i) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the EIR. (Effective Interest Rate)

#### ii) Undrawn credit limits on cards:

Undrawn credit limits on cards are commitments which the Company is required to pay on behalf of the customer based on pre-specified terms with the customer. Undrawn credit limits on cards commitments are in the scope of the ECL requirements.

### 2.2. 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 is recognised at the proceeds received, net of directly attributable transaction costs.

### 3.3.4 Reclassification of financial assets and liabilities

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

### 3.3.5 Derecognition of financial assets and financial liabilities

#### 1. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired.



The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company transfers the financial asset if, and only if, either:

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

A transfer only qualifies for derecognition if either:

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

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.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## 2. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

### 3.3.6 Impairment of financial assets

#### **1. Overview of the ECL principles**

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure,

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income
- Undrawn credit limits

Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECLs are the



expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 41.

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

Based on the above, the Company categorises its loans & advances into Stage 1, Stage 2 and Stage 3 as described below by comparing the credit risk of the financial instrument as at the reporting date, with its credit risk as at the date of initial recognition.

#### Stage 1: 12-months ECL

All exposures that are not credit impaired and where there has not been a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

For these assets, 12-month ECL is recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

#### Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, are classified under this stage.

Exposures with DPD greater than 30 days but less than or equal to 89 days are classified as stage 2. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

#### Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

For financial assets that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.



## 2. The calculation of ECL

The Company calculates ECL based on a probability weighted approach to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of Default (PD)** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 41: Risk Management.

**Exposure at Default (EAD)** - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns, and accrued interest from missed payments. The concept of EAD is further explained in Note 41: Risk Management.

**Loss Given Default (LGD)** - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 41: Risk Management.

### Undrawn Credit limits

When estimating ECL for undrawn Credit limits, the Company estimates the expected portion of the credit card limits that will be drawn down over its expected life. The ECL is then based on the expected shortfalls in cash flows if the limit is drawn down.

### 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, unemployment rates, benchmark rates set by the Reserve Bank of India, 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, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

### Write-offs

Company is following the write off policy to undertake annual NPAs. The accounts, which have been classified as NPA for 180 days or more and for which no payment is received for one year, are written off as Bad Debts.





Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- a) Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- b) Where a financial instrument includes both a drawn and an undrawn component, the company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision;

### 3.4. Determination of Fair Value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 40) at fair value on 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 is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.



Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3.5 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.6 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.7 Property, plant and equipment**

#### Tangible Assets

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. The Company has considered the carrying amount as per previous GAAP as deemed cost in accordance with Ind AS 101 First Time adoption.

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred



after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation is calculated on a straight-line basis & written down value basis using the rates arrived at based on the useful lives estimated by the management.

The estimated useful lives are, as follows:

| Particulars          | Useful lives estimated by the Management (Same as specified in Schedule II of the Companies Act, 2013) | Method of Depreciation |
|----------------------|--|------------------------|
| EDC                  | 5 years  | SLM                    |
| Computer Hardware    | 3 years  | SLM                    |
| Computer Hardware SE | 6 years  | SLM                    |
| Computer Software    | 5 years  | SLM                    |
| Furniture & Fixtures | 10 years   | WDV                    |
| Vehicles             | 8 years  | WDV                    |
| Office Equipment     | 5 years  | WDV                    |
| Plant & Machinery    | 15 years   | SLM                    |

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

#### Intangible Assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. The Company has considered the carrying amount as per previous GAAP as deemed cost in accordance with Ind AS 101 First Time adoption.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The Costs of Intangible assets are amortized over the period of 5 years, on Straight Line Method

#### Intangible assets under development:

Projects under which intangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses.



### Derecognition

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

### **3.8 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate of the recoverable amount of the asset / cash generating unit (CGU) is made. Recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU).

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

### **3.9 Leases (As a lessee)**

#### Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.



### Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received. The Company has adopted approach 2B as per Ind AS 116 where the right to use asset is recognised at same value at which liability is recognised.

### Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the 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, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

### Recognition of lease liability

The lease liability is initially measured at the present value of the lease payments net of cash lease incentives that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

### Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **3.10 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.



A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

#### Provision for Bonus points redemption

The Company has a reward point program which allows card members to earn points based on spends through the cards that can be redeemed for cash. The liability for reward points outstanding as at the year-end and expected to be redeemed in the future is estimated based on an actuarial valuation.

**3.11 Inventories:** Inventory, if any, is valued at cost (arrived on FIFO basis) or net realizable value, whichever is lower.

The cost for inventory valuation includes the amount of tax or other such amount (other than those subsequently recoverable from the taxing authorities such as Input Tax Credit) incurred to bring the goods to the place of its location and condition as at the year end.

#### **3.12 Goods and services tax paid on acquisition of assets or on incurring expenses:**

Expenses and assets are recognised net of the goods and services tax / value added taxes paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- b) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### **3.13 Earning Per Share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.



### **3.14 Contingencies and events occurring after the Balance Sheet date**

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

### **3.15 Foreign currency transaction**

Foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denoted in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates. Resultant exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency at the Balance Sheet date are reported using exchange rates at the date of the transaction.

### **3.16 Statutory Reserve**

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

### **3.17 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

### **3.18 Critical judgements and key source of estimation**

#### **3.18.1 Critical judgements in applying accounting polices:**

##### **3.18.1.1 Business model assessment**

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a



particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### 3.18.2 Key source of estimation uncertainty:

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

#### 3.18.2.1 Effective Interest Rate (EIR) Method

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

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

#### 3.18.2.2 Impairment of non-financial assets

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

#### 3.18.2.3 Provision and contingent liabilities

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





When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

#### 3.18.2.4 Leases- Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

#### 3.18.2.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 3.18.2.6. Card life

Estimation of card life relies on behavioural life trend established basis past customer behaviour/ observed life cycle



**Note 4: Cash and cash equivalents**

| Particulars         | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|---------------------|---------------------------|---------------------------|
| Cash on hand        | 0.02                      | 0.02                      |
| Balances with bank* | 1,330.68                  | 695.95                    |
| <b>Total</b>        | <b>1,330.70</b>           | <b>695.97</b>             |

\* The Company has taken bank overdraft, however, the same is not considered as a part of cash and cash equivalent for cash flow statement.

**Note 5: Bank balance other than above**

| Particulars   | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|---|---------------------------|---------------------------|
| Deposit with original maturity for more than 3 months but less than 12 months (lien marked) | 0.14                      | 0.12                      |
| <b>Total</b>  | <b>0.14</b>               | <b>0.12</b>               |

**Note 6: Trade Receivables**

| Particulars   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Receivable considered good<br>- Unsecured                 |                     |                     |
| To be realised within twelve months after reporting date: | 524.08              | 202.67              |
| To be realised after twelve months after reporting date:  | 11.12               | 35.77               |
| <b>Total</b>  | <b>535.20</b>       | <b>238.44</b>       |
| <b>Trade receivables include unbilled revenue</b>         | <b>252.13</b>       | <b>100.72</b>       |

As at 31st March 2023

| Particulars                                       | Outstanding for following periods from due date of payment |                  |              |             |                   |               |
|---|--|------------------|--------------|-------------|-------------------|---------------|
|   | Less than 6 months   | 6 months -1 year | 1-2 Years    | 2-3 years   | More than 3 years | Total         |
| (i) Undisputed Trade receivables- considered good | 522.22   | 1.85             | 11.03        | 0.09        | 0.00              | 535.20        |
| <b>Total</b>                                      | <b>522.22</b>  | <b>1.85</b>      | <b>11.03</b> | <b>0.09</b> | <b>0.00</b>       | <b>535.20</b> |

As at 31st March 2022

| Particulars                                       | Outstanding for following periods from due date of payment |                  |              |              |                   |               |
|---|--|------------------|--------------|--------------|-------------------|---------------|
|   | Less than 6 months   | 6 months -1 year | 1-2 Years    | 2-3 years    | More than 3 years | Total         |
| (i) Undisputed Trade receivables- considered good | 172.57   | 12.73            | 40.09        | 13.05        | -                 | 238.44        |
| <b>Total</b>                                      | <b>172.57</b>  | <b>12.73</b>     | <b>40.09</b> | <b>13.05</b> | <b>-</b>          | <b>238.44</b> |

| Trade receivable from related party | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------------------|---------------------|---------------------|
| Bank of Baroda                      | 121.17              | 195.26              |
| Subsidiary of Bank of Baroda        | -                   | 0.13                |

Trade receivables are non-interest bearing and are generally on credit terms of 0 to 90 days.

Trade receivable includes receivables from holding company (i.e. Bank of Baroda) and the Company do not perceive any credit risk on that

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.



**Note 7: Loans and advances**

| Loans  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>At Amortised Cost</b>                                 |                        |                        |
| <b>A)</b>  |                        |                        |
| <b>LOAN AND ADVANCE</b>                                  |                        |                        |
| To be realised within twelve months after reporting date | 29,993.46              | 12,913.09              |
| To be realised after twelve months after reporting date  | 2,863.85               | 1,370.16               |
| Total (A) -Gross   | <b>32,857.31</b>       | <b>14,283.24</b>       |
| Less: Impairment loss allowance                          | (3,554.80)             | (1,828.74)             |
| Total (A) - Net  | <b>29,302.51</b>       | <b>12,454.50</b>       |
| <b>B)</b>  |                        |                        |
| Secured by lien on Fixed Deposits                        | 162.36                 | 173.44                 |
| Unsecured  | 32,694.95              | 14,109.80              |
| Total (B)-Gross  | <b>32,857.31</b>       | <b>14,283.24</b>       |
| Less: Impairment loss allowance                          | (3,554.80)             | (1,828.74)             |
| Total (B)-Net  | <b>29,302.51</b>       | <b>12,454.50</b>       |
| <b>C) (i) Loans in India</b>                             |                        |                        |
| (i) Public Sector  | -                      | -                      |
| (ii) Others  | 32,857.31              | 14,283.24              |
| Total C) (i) -Gross                                      | <b>32,857.31</b>       | <b>14,283.24</b>       |
| Less: Impairment loss allowance                          | (3,554.80)             | (1,828.74)             |
| Total C) (i) - Net                                       | <b>29,302.51</b>       | <b>12,454.50</b>       |
| <b>D)</b>  |                        |                        |
| standard Advances  | 31,186.00              | 13,204.40              |
| Less: Impairment loss allowance                          | (2,100.19)             | (918.20)               |
| Total  | <b>29,085.81</b>       | <b>12,286.19</b>       |
| Sub- standard Advances                                   | 1,671.30               | 1,078.84               |
| Less: Impairment loss allowance                          | (1,454.61)             | (910.54)               |
| Total  | <b>216.70</b>          | <b>168.30</b>          |
| Total (D) Gross  | 32,857.31              | 14,283.24              |
| Less: Impairment loss allowance                          | (3,554.80)             | (1,828.74)             |
| Total (D) Net  | <b>29,302.51</b>       | <b>12,454.50</b>       |

Following are the loans and advances given to directors, KMPs in the normal course of credit card operations.

| Type of Borrower | 31.03.2023  |   | 31.03.2022  |   |
|------------------|---|---|---|---|
|                  | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters        | -   | -   | -   | -   |
| Directors        | 0.19  | 0.06%   | 0.09  | 0.06%   |
| KMPs             | 0.03  | 0.01%   | 0.08  | 0.05%   |
| Related Parties  | 0.04  | 0.01%   | 0.50  | 0.35%   |

**Intra Group Exposure**

i) Total amount of intra-group exposures

| Particulars    | C.Y.     | P.Y.   |
|----------------|----------|--------|
| Total Exposure | 1,486.55 | 929.73 |



**BoB Financial Solution Ltd**  
**Notes to financial statements for the year ended 31st March 2023**  
(Figure in Rupees in millions, unless otherwise stated)

**ii) Total amount of top 20 intra-group exposures**

| Particulars   | C.Y.            | P.Y.          |
|---|-----------------|---------------|
| Bank of Baroda                                      | 1,424.64        | 878.49        |
| India First Life Insurance Company Limited          | 61.81           | 50.07         |
| Baroda Global Shared Services Ltd                   | -               | 0.95          |
| Baroda BNP Paribas Asset Management India Pvt. Ltd. | 0.05            | 0.09          |
| Baroda Uttar Pradesh Gramin Bank                    | 0.02            | 0.01          |
| Baroda Rajasthan Kshetriya Gramin Bank              | 0.02            | 0.06          |
| Baroda Gujarat Gramin Bank                          | 0.02            | 0.06          |
| <b>Total</b>  | <b>1,486.55</b> | <b>929.73</b> |

**iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers**

| Particulars   | C.Y.         | P.Y.         |
|---|--------------|--------------|
| Total intra group exposure  | 1,486.55     | 929.73       |
| Total exposure of the NBFC on borrowers/customers   | 32,857.31    | 14,283.24    |
| <b>Total intra group exposure / Total exposure of the NBFC on borrowers &amp; customers</b> | <b>4.52%</b> | <b>6.51%</b> |

**Note 8: Investments**

| Particulars                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>At Amortised cost</b>                    |                        |                        |
| Investment                                  | -                      | -                      |
| <b>Total Gross (A)</b>                      | <b>-</b>               | <b>-</b>               |
| (i) Investment outside India                |                        |                        |
| (i) Investment in India                     | -                      | -                      |
| <b>Total B- Total (A) to tally with (B)</b> | <b>-</b>               | <b>-</b>               |
| Less: Allowance for Impairment loss ( C )   |                        |                        |
| <b>Total Net (D)</b>                        | <b>-</b>               | <b>-</b>               |

During the year ending 31st March, 2023 the Company has purchased and sold units of Mutual funds, the details of which are as follows:

| Fund Name          | Units                 | Purchased amount | Sales amount     |
|--------------------|-----------------------|------------------|------------------|
| Baroda liquid fund | 2,37,27,555.05        | 27,994.60        | 28,007.61        |
| <b>Total</b>       | <b>2,37,27,555.05</b> | <b>27,994.60</b> | <b>28,007.61</b> |

During the year ending 31st March, 2022 the Company has purchased and sold units of Mutual funds, the details of which are as follows:

| Fund Name                            | Units                 | Purchased amount | Sales amount     |
|--------------------------------------|-----------------------|------------------|------------------|
| Baroda liquid fund                   | 98,69,425.39          | 11,449.80        | 11,454.73        |
| Aditya Birla Sun Life overnight fund | 14,24,461.18          | 919.95           | 920.36           |
| <b>Total</b>                         | <b>1,12,93,886.57</b> | <b>12,369.75</b> | <b>12,375.09</b> |



**BoB Financial Solution Ltd**

**Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**Note 9: Other financial assets**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>To be realised within twelve months after reporting date:</b> |                        |                        |
| Unsecured considered good  |                        |                        |
| Advance to employees   | 1.67                   | 1.32                   |
| Advance Others   | 0.20                   | 0.29                   |
| Advance towards Gratuity fund                                    | 0.22                   | 0.08                   |
| Unrecovered Merchant Payment                                     | -                      | 33.37                  |
| Recoverable towards Settlement Agency                            | 246.13                 | 92.01                  |
| Recoverable from Oil Marketing Company                           | 0.17                   | 3.17                   |
| Insurance receivable   | 0.02                   | 0.02                   |
| Interest accrued on Fixed Deposit                                | 0.00                   | 0.00                   |
| Chargeback recoverable   | 8.50                   | 6.94                   |
| Less: Impairment allowance                                       | (0.01)                 | (0.16)                 |
| <b>To be realised within twelve months after reporting date:</b> |                        |                        |
| Secured considered good  |                        |                        |
| Reimbursement Asset  | 921.25                 | -                      |
| <b>To be realised after twelve months after reporting date:</b>  |                        |                        |
| Unsecured considered good  |                        |                        |
| Security deposits  | 14.99                  | 12.97                  |
| <b>Total</b>   | <b>1,193.14</b>        | <b>150.00</b>          |

**Note 10: Deferred Tax Assets**

| Particulars         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------|------------------------|------------------------|
| Deferred tax assets | 644.85                 | 494.14                 |
| <b>Total</b>        | <b>644.85</b>          | <b>494.14</b>          |

The following table shows deferred tax recorded in the balance sheet and charges recorded in the income tax expenses for the year ended 31st March 2023:

| Deferred tax assets (liabilities)     | opening balance<br>as on<br>1st April 2022 | Recognised in<br>profit and loss<br>(expense)/<br>Income | Recognised in<br>other<br>comprehensive<br>income | Closing<br>balance as on<br>31st March<br>2023 |
|---------------------------------------|--|--|---|--|
| Property plant and equipment          | 75.90                                      | (16.67)  |   | 59.23  |
| Provision for expenses                | 43.29                                      | 24.36  | 0.40  | 68.05  |
| ECL provision                         | 434.60                                     | 194.73   |   | 629.33   |
| Deferred revenue                      | 14.88                                      | 17.45  |   | 32.33  |
| Amortisation of Card acquisition cost | (77.20)                                    | (84.86)  |   | (162.06)                                       |
| Processing fees                       | 2.87                                       | 15.28  |   | 18.15  |
| Debt issue expenses                   | (0.20)                                     | 0.02   |   | (0.18)   |
| <b>Total</b>                          | <b>494.14</b>                              | <b>150.30</b>  | <b>0.40</b>                                       | <b>644.85</b>                                  |

The following table shows deferred tax recorded in the balance sheet and charges recorded in the income tax expenses for the year ended 31st March 2022:

| Deferred tax assets (liabilities)     | opening balance<br>as on<br>1st April 2021 | Recognised in<br>profit and loss<br>(expense)/<br>Income | Recognised in<br>other<br>comprehensive<br>income | Closing<br>balance as on<br>31st March<br>2022 |
|---------------------------------------|--|--|---|--|
| Property plant and equipment          | 86.22                                      | (10.33)  | -   | 75.90  |
| Provision for expenses                | 31.04                                      | 13.34  | (1.09)  | 43.29  |
| ECL provision                         | 368.17                                     | 66.43  | -   | 434.60   |
| Deferred revenue                      | 18.22                                      | (3.34)   | -   | 14.88  |
| Amortisation of Card acquisition cost | (63.28)                                    | (13.92)  | -   | (77.20)  |
| Processing fees                       | 1.74                                       | 1.13   | -   | 2.87   |
| Debt issue expenses                   | (0.26)                                     | 0.06   | -   | (0.20)   |
| <b>Total</b>                          | <b>441.86</b>                              | <b>53.37</b>   | <b>(1.09)</b>                                     | <b>494.14</b>                                  |



**BoB Financial Solution Ltd**

**Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**Note 11: Property, plant and equipment**

| Particulars                         | Computers & Printers | EDC Machines  | Office Equipment's | Furniture & Fixtures | Plant & Machinery | Vehicles    | Total         |
|-------------------------------------|----------------------|---------------|--------------------|----------------------|-------------------|-------------|---------------|
| <b>Gross block</b>                  |                      |               |                    |                      |                   |             |               |
| Deemed cost as at April 01, 2021    | 34.14                | 359.74        | 10.86              | 6.59                 | 3.59              | 0.76        | 415.68        |
| Additions                           | 9.33                 | -             | 1.00               | 0.45                 | -                 | -           | 10.77         |
| Disposals                           | (3.84)               | (1.50)        | (0.26)             | (1.66)               | -                 | -           | (7.25)        |
| At March 31, 2022                   | <b>39.62</b>         | <b>358.25</b> | <b>11.59</b>       | <b>5.37</b>          | <b>3.59</b>       | <b>0.76</b> | <b>419.19</b> |
| Additions                           | 20.77                | -             | 4.34               | 2.93                 | -                 | -           | 28.04         |
| Disposals                           | -                    | (308.31)      | (0.23)             | -                    | -                 | -           | (308.54)      |
| At March 31, 2023                   | <b>60.39</b>         | <b>49.94</b>  | <b>15.71</b>       | <b>8.30</b>          | <b>3.59</b>       | <b>0.76</b> | <b>138.69</b> |
| <b>Depreciation and impairment:</b> |                      |               |                    |                      |                   |             |               |
| At April 01, 2021                   | 15.67                | 266.65        | 3.32               | 2.23                 | 0.36              | 0.45        | 288.67        |
| Depreciation charge for the year    | 10.39                | 91.15         | 3.46               | 1.15                 | 0.23              | 0.13        | 106.51        |
| Disposals                           | (3.66)               | (1.49)        | (0.25)             | (1.08)               | -                 | -           | (6.48)        |
| At March 31, 2022                   | <b>22.40</b>         | <b>356.31</b> | <b>6.53</b>        | <b>2.30</b>          | <b>0.59</b>       | <b>0.58</b> | <b>388.70</b> |
| Depreciation charge for the year    | 10.75                | 0.28          | 2.66               | 1.28                 | 0.23              | 0.06        | 15.26         |
| Disposals                           | -                    | (306.82)      | (0.20)             | -                    | -                 | -           | (307.02)      |
| At March 31, 2023                   | <b>33.15</b>         | <b>49.77</b>  | <b>8.99</b>        | <b>3.57</b>          | <b>0.81</b>       | <b>0.63</b> | <b>96.94</b>  |
| <b>Net book value:</b>              |                      |               |                    |                      |                   |             |               |
| At March 31, 2022                   | <b>17.22</b>         | <b>1.94</b>   | <b>5.06</b>        | <b>3.08</b>          | <b>3.00</b>       | <b>0.18</b> | <b>30.48</b>  |
| At March 31, 2023                   | <b>27.24</b>         | <b>0.16</b>   | <b>6.72</b>        | <b>4.73</b>          | <b>2.78</b>       | <b>0.13</b> | <b>41.75</b>  |

The Company has not revalued any property plant and equipment during the year ended 31st March, 2023.

The Company does not have any immovable property.

There are no proceeding initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 during the year ended 31st March, 2023.



**Note 12: Right-of-use assets**

| Particulars                         | Right-of-use Building |
|-------------------------------------|-----------------------|
| <b>Gross block</b>                  |                       |
| Deemed cost as at 1 April 2021      |                       |
| At April 01, 2021                   | 88.67                 |
| Additions                           | -                     |
| Disposals                           | -                     |
| At March 31, 2022                   | 88.67                 |
| Additions                           | 51.13                 |
| Disposals                           | -                     |
| At March 31, 2023                   | 139.80                |
| <b>Depreciation and impairment:</b> |                       |
| At April 01, 2021                   | 7.39                  |
| Depreciation charge for the year    | 17.74                 |
| Disposals                           | -                     |
| At March 31, 2022                   | 25.13                 |
| Depreciation charge for the year    | 27.53                 |
| Disposals                           | -                     |
| At March 31, 2023                   | 52.66                 |
| <b>Net book value:</b>              |                       |
| At March 31, 2022                   | 63.55                 |
| At March 31, 2023                   | 87.14                 |

**Note 13: Intangible assets under development**

| Particulars              | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| Capital work in progress | 8.34                | 0.63                |
| Total                    | 8.34                | 0.63                |

**(a) For Intangible assets under development**

| Intangible assets under development as on 31st March 2023 | 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                                      | 8.34                           | -         | -         | -                 | 8.34  |
| Projects temporarily suspended                            | -                              | -         | -         | -                 | -     |

| Intangible assets under development as on 31st March 2022 | 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                                      | 0.63                           | -         | -         | -                 | 0.63  |
| Projects temporarily suspended                            | -                              | -         | -         | -                 | -     |

**(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.**

| Intangible assets under development as on 31st March 2023 | To be completed in |           |           |                   |
|---|--------------------|-----------|-----------|-------------------|
|   | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |
| Project 1   | -                  | -         | -         | -                 |
| Project 2   | -                  | -         | -         | -                 |

| Intangible assets under development as on 31st March 2022 | To be completed in |           |           |                   |
|---|--------------------|-----------|-----------|-------------------|
|   | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |
| Project 1   | -                  | -         | -         | -                 |
| Project 2   | -                  | -         | -         | -                 |



**Note 14: Other intangible assets**

| Particulars                                      | Computer Software |
|--|-------------------|
| <b>Gross block</b>                               |                   |
| Deemed cost as at April 01, 2021                 | 34.12             |
| Additions  | 157.62            |
| Disposals  | -                 |
| <b>At March 31, 2022</b>                         | <b>191.74</b>     |
| Additions  | 10.78             |
| Disposals  | -                 |
| <b>At March 31, 2023</b>                         | <b>202.52</b>     |
| <b>Accumulative amortisation and impairment:</b> |                   |
| At April 01, 2021                                | 4.76              |
| Amortisation for the year                        | 26.90             |
| Disposals  | -                 |
| <b>At March 31, 2022</b>                         | <b>31.66</b>      |
| Amortisation for the year                        | 38.19             |
| Disposals  | -                 |
| <b>At March 31, 2023</b>                         | <b>69.85</b>      |
| <b>Net book value:</b>                           |                   |
| At March 31, 2022                                | 160.09            |
| At March 31, 2023                                | 132.67            |

**Note 15: Other non-financial assets**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>To be realised within twelve months after reporting date:</b>        |                        |                        |
| Unsecured considered good   |                        |                        |
| Goods & service tax credit (input) receivable                           | 281.64                 | 207.71                 |
| Unamortised card acquisition cost (contract asset)                      | 182.44                 | 90.45                  |
| Advance to Vendor   | 28.20                  | 5.27                   |
| Deferred lease expenses   | 2.57                   | 2.00                   |
| Prepaid expenses  | 16.31                  | 19.66                  |
| <b>To be realised after twelve months after reporting date:</b>         |                        |                        |
| Unsecured considered good   |                        |                        |
| Unamortised card acquisition cost (contract asset)                      | 461.45                 | 216.27                 |
| Advance tax (net of Provisions for taxation and tax deducted at source) | 325.69                 | 319.68                 |
| Prepaid expenses  | 5.53                   | 6.68                   |
| <b>Total</b>  | <b>1,303.82</b>        | <b>867.73</b>          |





BoB Financial Solution Ltd

Notes to financial statements for the year ended 31st March 2023

(Figure in Rupees in millions, unless otherwise stated)

Note 16: Payables

| Particulars   | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|---|---------------------------|---------------------------|
| <b>Payable within twelve months after reporting date:</b>                                   |                           |                           |
| Trade payables  |                           |                           |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 4.49                      | 15.45                     |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 418.75                    | 139.07                    |
| <b>Total</b>  | <b>423.24</b>             | <b>154.52</b>             |

As at 31st March 2023

| Particulars                  | Outstanding for following periods from due date of payment |              |              |                      |               |
|------------------------------|--|--------------|--------------|----------------------|---------------|
|                              | Less than 1<br>year  | 1-2<br>Years | 2-3<br>years | More than 3<br>years | Total         |
| (i) Undisputed dues MSME     | 4.49   | -            | -            | -                    | 4.49          |
| (ii) Undisputed dues- Others | 405.19   | 13.56        | -            | -                    | 418.75        |
| <b>Total</b>                 | <b>409.68</b>  | <b>13.56</b> | <b>-</b>     | <b>-</b>             | <b>423.24</b> |

As at 31st March 2022

| Particulars                  | Outstanding for following periods from due date of payment |              |              |                      |               |
|------------------------------|--|--------------|--------------|----------------------|---------------|
|                              | Less than 1<br>year  | 1-2<br>Years | 2-3<br>years | More than 3<br>years | Total         |
| (i) Undisputed dues MSME     | 15.45  | -            | -            | -                    | 15.45         |
| (ii) Undisputed dues- Others | 132.57   | 3.70         | 2.80         | -                    | 139.08        |
| <b>Total</b>                 | <b>148.02</b>  | <b>3.70</b>  | <b>2.80</b>  | <b>-</b>             | <b>154.52</b> |

| Particulars  | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|--|---------------------------|---------------------------|
| i) Principal amount remaining unpaid   | 4.49                      | 15.45                     |
| ii) Interest due thereon remaining unpaid  | Nil                       | Nil                       |
| iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                              | Nil                       | Nil                       |
| iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | Nil                       | Nil                       |
| v) Interest accrued and remaining unpaid   | Nil                       | Nil                       |
| vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | Nil                       | Nil                       |

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises, on the basis of information available with the Company. This has been relied upon by the auditors.



BoB Financial Solution Ltd

Notes to financial statements for the year ended 31st March 2023

(Figure in Rupees in millions, unless otherwise stated)

Note 17: Debt securities

| Particulars  | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|--|---------------------------|---------------------------|
| <b>At Amortised Cost</b>                                   |                           |                           |
| Unsecured:   |                           |                           |
| - To be settled within twelve months after reporting date: |                           |                           |
| Commercial paper   | 247.75                    | 495.82                    |
| - To be settled after twelve months after reporting date:  |                           |                           |
| Debentures   | 1,249.29                  | 499.20                    |
| <b>Total (A)</b>   | <b>1,497.04</b>           | <b>995.02</b>             |
| Debt securities in India                                   | 1,497.04                  | 995.02                    |
| Debt securities outside India                              | -                         | -                         |
| <b>Total (B) to tally with (A)</b>                         | <b>1,497.04</b>           | <b>995.02</b>             |

Particulars of Unsecured Redeemable Non Convertible Debentures

| Particulars   | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|---|---------------------------|---------------------------|
| <b>Unsecured Redeemable Non Convertible Debentures</b>  |                           |                           |
| 7.65 % Unsecured Tier II NCD of Rs.10,00,000 each INE027208011<br>(Redeemable at par in March'2031) | 500.00                    | 500.00                    |
| 8.25 % Unsecured Tier II NCD of Rs.1,00,000 each INE027208029<br>(Redeemable at par in March'2033)  | 750.00                    | -                         |
| <b>Total</b>  | <b>1,250.00</b>           | <b>500.00</b>             |
| <b>Less: Unamortized Expense</b>  | <b>0.71</b>               | <b>0.80</b>               |
| <b>Total</b>  | <b>1,249.29</b>           | <b>499.20</b>             |

Particulars of Commercial paper

| Particulars                       | Rate of<br>interest | Date of<br>maturity | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|-----------------------------------|---------------------|---------------------|---------------------------|---------------------------|
| <b>Commercial Papers</b>          |                     |                     |                           |                           |
| Commercial Paper - INE027214209   | 4.40                | 10-06-2022          | -                         | 500.00                    |
| Commercial Paper - INE027214381   | 7.60                | 15-05-2023          | 250.00                    | -                         |
| <b>Total</b>                      |                     |                     | <b>250.00</b>             | <b>500.00</b>             |
| <b>Less: Unamortized discount</b> |                     |                     | <b>2.25</b>               | <b>4.18</b>               |
| <b>Total</b>                      |                     |                     | <b>247.75</b>             | <b>495.82</b>             |



**Note 18: Borrowings other than debt securities & Leased liabilities**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>At Amortised Cost</b>                                   |                        |                        |
| <b>Unsecured</b>   |                        |                        |
| - To be settled within twelve months after reporting date: |                        |                        |
| (a) Finance lease obligations                              | 27.34                  | 17.09                  |
| (b) Loan repayable on demand                               |                        |                        |
| Working capital loan                                       |                        |                        |
| (i) from banks   | 9,250.00               | 6,600.00               |
| (ii) from other parties                                    |                        |                        |
| - To be settled after twelve months after reporting date:  |                        |                        |
| (a) Finance lease obligations                              | 65.49                  | 49.43                  |
| <b>Secured</b>   |                        |                        |
| - To be settled within twelve months after reporting date: |                        |                        |
| (a) Loans from related parties:                            |                        |                        |
| Working capital loan*                                      | 10,998.79              | 3,450.05               |
|  | <b>20,341.62</b>       | <b>10,116.57</b>       |
| <b>Borrowings in India</b>                                 | 20,341.62              | 10,116.57              |
| <b>Total (B) to tally with (A)</b>                         | <b>20,341.62</b>       | <b>10,116.57</b>       |

The Company has been regular with repayment of interest and principal on all its borrowings and there is no overdue on the reporting date.

\* First paripasu charge by way of hypothecation on borrower's credit card standard receivable (present and future) and other current assets with an Asset cover of 1.1 times.

\* FD of Rs. 0.14 mn is lien marked against the overdraft.

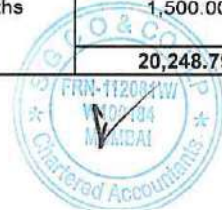
The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the during the year FY 22-23.

The company is not declared as wilful defaulter by any bank or financial institution or other lender during the year the ended 31st march 2023.

**Terms of repayment:**

Term loans from Banks :

| Lender Name   | Secured /<br>Unsecured | Tenure (months)  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------|------------------------|------------------------|
| HDFC Bank Ltd   | Unsecured              | 6 months         | -                      | 2,500.00               |
| HDFC Bank Ltd   | Unsecured              | 9 months         | -                      | 500.00                 |
| HDFC Bank Ltd   | Unsecured              | 12 months        | -                      | 1,000.00               |
| HDFC Bank Ltd   | Unsecured              | 7 days           | 1,000.00               | -                      |
| HDFC Bank Ltd   | Unsecured              | 3 months 12 days | 500.00                 | -                      |
| HDFC Bank Ltd   | Unsecured              | 3 months 22 days | 500.00                 | -                      |
| HDFC Bank Ltd   | Unsecured              | 4 months         | 500.00                 | -                      |
| HDFC Bank Ltd   | Unsecured              | 3 months 14 days | 1,000.00               | -                      |
| HDFC Bank Ltd   | Unsecured              | 3 months 14 days | 600.00                 | -                      |
| HDFC Bank Ltd   | Unsecured              | 3 months 12 days | 500.00                 | -                      |
| HDFC Bank Ltd   | Unsecured              | 1 year           | 400.00                 | -                      |
| Hong Kong & Shanghai Banking Corporation                  | Unsecured              | 12 months        | -                      | 2,600.00               |
| Hong Kong & Shanghai Banking Corporation                  | Secured                | 6 months         | 1,250.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 500.00                 | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 3 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 6 months         | 1,000.00               | 2,500.00               |
| Bank of Baroda  | Secured                | 6 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 6 months         | 1,000.00               | -                      |
| Bank of Baroda  | Secured                | 12 months        | 498.79                 | 950.05                 |
| IDBI Bank Ltd   | Secured                | 14 days          | 1,000.00               | -                      |
| IDBI Bank Ltd   | Secured                | 14 days          | 500.00                 | -                      |
| ICICI Bank Ltd  | Secured                | 6 months         | 1,500.00               | -                      |
| <b>Total Borrowings other than debt securities, above</b> |                        |                  | <b>20,248.79</b>       | <b>10,050.05</b>       |



**BoB Financial Solution Ltd**

**Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**Details of Quarterly returns/statements filed with banks during the financial year 2022-23**

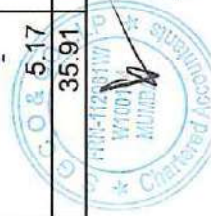
| Statement for the quarter ended | Particulars     | Balance as per books | Balance as per quarterly statement submitted to bank | Difference | Remarks   |
|---------------------------------|-----------------|----------------------|--|------------|---|
| June'22                         | Card Receivable | 18,352.29            | 18,354.20  | (1.91)     | Immaterial differences, Figures provided to bank on provisional basis pending finalisation of quarterly closing |
|                                 | Current Asset   | 2,229.71             | 2,229.80   | (0.08)     |   |
| Sep'22                          | Card Receivable | 22,993.64            | 23,003.60  | (9.96)     |   |
|                                 | Current Asset   | 733.49               | 737.40   | (3.91)     |   |
| Dec'22                          | Card Receivable | 27,502.01            | 27,505.10  | (3.09)     |   |
|                                 | Current Asset   | 1,021.63             | 1,088.90   | (67.27)    |   |
| Mar'23                          | Card Receivable | 30,912.75            | 30,911.00  | 1.75       |   |
|                                 | Current Asset   | 1,597.35             | 1,597.40   | (0.05)     |   |

**Net Debt Reconciliation for the year ended 31st March 2023**

| Particulars          | Opening balance  | Cash flow        | Non Cash changes        |              | Closing balance  |
|----------------------|------------------|------------------|-------------------------|--------------|------------------|
|                      |                  |                  | Interest / amortisation | others       |                  |
| Commercial paper     | 495.82           | (250.00)         | 1.93                    | -            | 247.75           |
| Debenture            | 499.20           | 750.00           | 0.09                    | -            | 1,249.29         |
| working capital loan | 10,050.05        | 10,198.74        | -                       | -            | 20,248.79        |
| leased liabilities   | 66.52            | -                | 6.51                    | 19.80        | 92.83            |
| <b>Total</b>         | <b>11,111.58</b> | <b>10,698.74</b> | <b>8.53</b>             | <b>19.80</b> | <b>21,838.65</b> |

**Net Debt Reconciliation for the year ended 31st March 2022**

| Particulars          | Opening bal     | Cash flow       | Non Cash changes        |                | Closing balance  |
|----------------------|-----------------|-----------------|-------------------------|----------------|------------------|
|                      |                 |                 | Interest / amortisation | others         |                  |
| Commercial paper     | 3,565.17        | (3,100.00)      | 30.65                   | -              | 495.82           |
| Debenture            | 499.11          | -               | 0.09                    | -              | 499.20           |
| working capital loan | 2,503.45        | 7,546.59        | -                       | -              | 10,050.05        |
| leased liabilities   | 81.20           | -               | 5.17                    | (19.85)        | 66.52            |
| <b>Total</b>         | <b>6,648.93</b> | <b>4,446.59</b> | <b>35.91</b>            | <b>(19.85)</b> | <b>11,111.58</b> |



**BoB Financial Solution Ltd**

**Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**Note 19: Other financial liabilities**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Liabilities to be settled within twelve months after reporting date</b> |                        |                        |
| Advance from customers   | 272.27                 | 165.71                 |
| Merchant payment on hold   | 2.70                   | 21.52                  |
| Other Payable  | 1.22                   | 12.52                  |
| Charge back hold   | 5.97                   | 8.51                   |
| Payable to employees   | 0.15                   | 4.12                   |
| Credit Balance In Cancelled Cards  | 1.72                   | 2.64                   |
| Onus Chargeback  | 9.08                   | 2.61                   |
| Insurance Claim Payable  | 3.00                   | -                      |
| <b>Liabilities to be settled after twelve months after reporting date</b>  |                        |                        |
| Refundable Deposit   | 6.70                   | 6.01                   |
| Merchant payment on hold   | 0.90                   | 7.17                   |
| <b>Total</b>   | <b>303.71</b>          | <b>230.81</b>          |

**Note 20: Provisions**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Provision for employee benefits</b>                                     |                        |                        |
| <b>Liabilities to be settled within twelve months after reporting date</b> |                        |                        |
| Staff incentive  | 51.71                  | 24.75                  |
| Provision for compensated absences   | 4.31                   | 3.78                   |
| <b>Liabilities to be settled after twelve months after reporting date</b>  |                        |                        |
| Provision for compensated absences   | 8.64                   | 7.49                   |
| <b>Others</b>  |                        |                        |
| <b>Liabilities to be settled within twelve months after reporting date</b> |                        |                        |
| Provision For Expenses   | 1,287.66               | 485.61                 |
| Provision for Reward Point Expenses  | 233.20                 | 145.04                 |
| <b>Liabilities to be settled after twelve months after reporting date</b>  |                        |                        |
| Provision for Reward Point Expenses  | -                      | -                      |
| <b>Total</b>   | <b>1,585.52</b>        | <b>666.67</b>          |

**Note 21: Other Non-financial liabilities**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Liabilities to be settled within twelve months after reporting date</b> |                        |                        |
| Statutory dues payable   | 493.10                 | 153.11                 |
| Unearned Income  | 35.00                  | -                      |
| Contract liability (deferment of annual fees)                              | 128.44                 | 59.11                  |
| <b>Total</b>   | <b>656.54</b>          | <b>212.22</b>          |



**Note 22: Equity Share Capital**

**The reconciliation of equity shares outstanding at the beginning and at the end of the period**

| Authorised Share capital  | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| 1,00,00,00,000 (P.Y. 40,00,00,000) Equity Shares of Rs 10/- Each            | 10,000.00           | 4,000.00            |
|   | 10,000.00           | 4,000.00            |
| <b>Issued and fully paid up</b>   |                     |                     |
| 97,50,00,000 (P.Y.27,50,00,000) Equity Shares of Rs 10/- each fully paid up | 9,750.00            | 2,750.00            |
| <b>Total</b>  | <b>9,750.00</b>     | <b>2,750.00</b>     |

**Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year**

| Particulars  | As at 31 March 2023 |                 | As at March 31, 2022 |                 |
|--|---------------------|-----------------|----------------------|-----------------|
|  | Number of shares    | Rs. in million  | Number of shares     | Rs. in million  |
| At the beginning of the reporting year                     | 27,50,00,000        | 2,750.00        | 17,50,00,000         | 1,750.00        |
| Changes in Equity Share Capital due to prior period errors | -                   | -               | -                    | -               |
| Restated balance at the beginning of the reporting period  | -                   | -               | -                    | -               |
| Issued during the year                                     | 70,00,00,000        | 7,000.00        | 10,00,00,000         | 1,000.00        |
| At the close of the reporting year                         | <b>97,50,00,000</b> | <b>9,750.00</b> | <b>27,50,00,000</b>  | <b>2,750.00</b> |

**Details of shareholders holding of Promoters**

| Promoters name | 31 March 2023     |                               |                                   | 31 March 2022     |                               |                              |
|----------------|-------------------|-------------------------------|-----------------------------------|-------------------|-------------------------------|------------------------------|
|                | Number in million | % holding in the equity share | % holding changed during the year | Number in million | % holding in the equity share | % holding changed during the |
| Bank of Baroda | 975               | 100.00%                       | Nil                               | 275               | 100.00%                       | Nil                          |

**Equity Shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Details of shareholders holding more than 5% shares in the Company**

**Equity Shares**

| Particulars    | 31 March 2023     |                        | 31 March 2022     |                        |
|----------------|-------------------|------------------------|-------------------|------------------------|
|                | Number in million | % holding in the class | Number in million | % holding in the class |
| Bank of Baroda | 975               | 100.00%                | 275               | 100.00%                |

The Bank holds 97,49,99,300 shares in its own name and the balance shares through its -7- nominee shareholders holding 100 shares each.

**Note 23: Other Equity**

| Particulars  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934 | 356.82              | 352.17              |
| Retained Earning   | (283.28)            | (292.69)            |
| <b>Total</b>   | <b>73.54</b>        | <b>59.48</b>        |

| Particulars                             | As at 31 March 2023 |                   |              | As at 31 March 2022 |                   |              |
|---|---------------------|-------------------|--------------|---------------------|-------------------|--------------|
|   | Statutory Reserves  | Retained Earnings | Total        | Statutory Reserves  | Retained Earnings | Total        |
| Balance at the beginning of the year    | 352.17              | (292.69)          | 59.48        | 352.17              | (191.66)          | 160.51       |
| Total Comprehensive Income for the year | -                   | (1.20)            | (1.20)       | -                   | 3.26              | 3.26         |
| Transfer to retained earnings           | -                   | 15.26             | 15.26        | -                   | (104.29)          | (104.29)     |
| Transfer to Statutory Reserve           | 4.65                | (4.65)            | -            | -                   | -                 | -            |
| <b>Balance at the end of the year</b>   | <b>356.82</b>       | <b>(283.28)</b>   | <b>73.54</b> | <b>352.17</b>       | <b>(292.69)</b>   | <b>59.48</b> |

**Nature and purpose of Reserves**

**Statutory reserve**

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend. During the financial year, the Company have appropriate Rs. 4.65 mn towards the statutory reserve (previous year: Nil).



**BoB Financial Solution Ltd****Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**Note 24: Interest income**

| Particulars   | March 31, 2023  | March 31, 2022  |
|---|-----------------|-----------------|
| <b>On financial assets measured at amortised cost</b> |                 |                 |
| Interest on Loans                                     |                 |                 |
| Interest on credit card loans                         | 3,640.08        | 1,853.58        |
| Other interest  | 0.78            | 0.51            |
| <b>Total</b>  | <b>3,640.86</b> | <b>1,854.09</b> |

**Note 25: Income from fees and services**

| Particulars                     | March 31, 2023  | March 31, 2022  |
|---------------------------------|-----------------|-----------------|
| Income from Fees                | 3,950.19        | 1,694.56        |
| Income from Merchant Operations | 834.40          | 1,268.75        |
| <b>Total</b>                    | <b>4,784.59</b> | <b>2,963.31</b> |

**Note 26: Other income**

| Particulars                                 | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Income from mutual fund                     | 13.01          | 5.34           |
| Interest on Fixed Deposit                   | 0.007          | 0.003          |
| Liability no longer required written back   | -              | 10.71          |
| Reversal of Provision for loss due to fraud | -              | 0.79           |
| Profit on sale of fixed assets              | -              | 0.06           |
| Miscellaneous income                        | 0.17           | 0.39           |
| Bad Debts Recovered                         | 150.28         | 21.86          |
| Balance written back                        | -              | 1.37           |
| <b>Total</b>                                | <b>163.47</b>  | <b>40.52</b>   |

**Note 27: Finance Cost**

| Particulars  | March 31, 2023  | March 31, 2022 |
|--|-----------------|----------------|
| <b>On Financial liabilities measured at Amortised Cost</b> |                 |                |
| Interest on borrowings:                                    |                 |                |
| Interest on borrowings from banks:                         | 936.82          | 279.87         |
| Interest on lease liability                                | 6.51            | 5.17           |
| Interest on Commercial Paper and Bonds                     | 201.18          | 118.00         |
| Interest on Debentures                                     | 39.10           | 38.15          |
| <b>Total</b>   | <b>1,183.61</b> | <b>441.19</b>  |



**Note 28: Impairment on financial instruments**

| Particulars  | March 31, 2023  | March 31, 2022  |
|--|-----------------|-----------------|
| <b>On Financial instruments measured at Amortised Cost</b> |                 |                 |
| (i) Loans  | 804.66          | 483.23          |
| (ii) Card Balances written off                             | 797.25          | 545.62          |
| (iii) Other Balances written off                           | 44.05           | -               |
| <b>Total</b>   | <b>1,645.96</b> | <b>1,028.84</b> |

**Note 29: Employee benefit expenses**

| Particulars                               | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Salaries and wages                        | 531.87         | 516.48         |
| Contribution to provident and other funds | 38.60          | 38.07          |
| Staff welfare expenses                    | 14.40          | 10.28          |
| <b>Total</b>                              | <b>584.87</b>  | <b>564.83</b>  |

**Note 30: Operating and Other expenses**

| Particulars                                   | March 31, 2023  | March 31, 2022  |
|---|-----------------|-----------------|
| Interchange fees                              | 215.67          | 463.53          |
| Business Promotion expenses                   | 775.14          | 452.45          |
| Bonus Point expenses                          | 542.54          | 323.91          |
| Scheme charges                                | 392.87          | 326.59          |
| Recovery Agent Charges                        | 483.93          | 293.69          |
| Wages & Salaries to Substaff -Contractor      | 451.41          | 258.58          |
| Software/ I.T. Expenses                       | 435.35          | 184.97          |
| EDC Processing Charges                        | 90.55           | 99.45           |
| Customer acquisition charges                  | 19.84           | 75.27           |
| Communication Expenses                        | 77.86           | 77.96           |
| Legal and Professional                        | 31.19           | 23.90           |
| Card Verification Charges                     | 111.84          | 58.14           |
| Card issuance cost                            | 190.25          | 37.05           |
| Postage & Courier                             | 40.99           | 29.82           |
| Bank Charges                                  | 47.30           | 24.19           |
| Rent  | 6.48            | 19.60           |
| Other Administrative Expenses                 | 74.41           | 29.67           |
| Business Support Service Cost                 | 1,200.71        | 13.97           |
| Data Processing Charges                       | 21.66           | 11.50           |
| Repairs & Maintenance                         | 18.30           | 10.40           |
| Insurance Expenses                            | 11.77           | 10.61           |
| Travelling Expenses                           | 21.05           | 9.76            |
| Printing & Stationery                         | 13.67           | 9.14            |
| GPRS Connectivity Charges (POS)               | 4.93            | 9.16            |
| Electricity Expenses                          | 6.51            | 5.23            |
| Consumption of Credit Card Plastic            | 14.04           | 5.24            |
| Foreign Exchange Fluctuation Loss             | 3.56            | 2.61            |
| Losses due to frauds                          | 0.71            | -               |
| Loss on Sale of Property, Plant and Equipment | 0.66            | -               |
| Property, Plant and Equipment Written Off     | 0.23            | 0.77            |
| Advertisement Expenses                        | 0.41            | 0.72            |
| Auditor remuneration:                         |                 |                 |
| - as auditor                                  | 0.62            | 0.78            |
| - tax audit fees                              | 0.18            | 0.18            |
| - for certification                           | 0.38            | 0.76            |
| Director's sitting fees                       | 0.80            | 0.52            |
| <b>Total</b>                                  | <b>5,307.81</b> | <b>2,870.12</b> |





**BoB Financial Solution Ltd**  
**Notes to financial statements for the year ended 31st March 2023**

**Note 31: Income tax**

The components of income tax expense for the year ended March 31, 2023 and year ended March 31, 2022 are:

| <b>Profit or loss section</b>   | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|---|-----------------------|-----------------------|
| <b>Current income tax:</b>  |                       |                       |
| Income tax - Current year   | 153.66                | 98.07                 |
| Deferred tax- Current year  | (150.31)              | (53.37)               |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>3.35</b>           | <b>44.70</b>          |

| <b>Other Comprehensive Income section</b>                             | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|---|-----------------------|-----------------------|
| Deferred tax expense recognised in Other comprehensive income         | 0.40                  | (1.09)                |
| <b>Income tax expense reported in the Other Comprehensive section</b> | <b>0.40</b>           | <b>(1.09)</b>         |

| <b>Reconciliation of tax expense and the accounting profit</b>           | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|--|-----------------------|-----------------------|
| Profit/(loss) before tax from a continuing operations                    | 18.61                 | (59.59)               |
| Income tax rate as on March 31, 2023                                     | 25.17%                | 25.17%                |
| Income tax expenses  | 4.68                  | (15.00)               |
| <b>Tax effect of:</b>  |                       |                       |
| Others adjustments   | (1.34)                | 59.70                 |
| <b>Income tax expense recognised in the statement of profit and loss</b> | <b>3.35</b>           | <b>44.70</b>          |

**Note 32: Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| <b>Particulars</b>   | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|--|-----------------------|-----------------------|
| Following reflects the profit and share data used in EPS computations: |                       |                       |
| <b>Basic/ Diluted</b>  |                       |                       |
| Weighted average number of equity shares for computation of Basic EPS  | 50,21,23,288          | 25,25,34,247          |
| Net profit for calculation of basic EPS                                | 15.26                 | (104.29)              |
| <b>Basic earning per share (In Rs.)</b>                                | <b>0.03</b>           | <b>(0.41)</b>         |

**Diluted**

|   |              |               |
|---|--------------|---------------|
| Weighted average number of equity shares for computation of Diluted EPS | 50,21,23,288 | 25,25,34,247  |
| Net profit for calculation of Diluted EPS                               | 15.26        | (104.29)      |
| <b>Diluted earning per share (In Rs.)</b>                               | <b>0.03</b>  | <b>(0.41)</b> |

**Nominal / Face Value of equity shares (In Rs.)** 10.00 10.00



**Note 33: Retirement benefit plan**

**i) Defined contribution plan**

The Company makes Contribution which are defined contributions 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 scheme.

During the year, the Company has recognised the following amounts in the Statement of profit and loss:

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Employers' Contribution to Employee's Provident Fund * | 28.50                       | 27.66                       |
| Employee State Insurance Corporations (ESIC)           | 0.10                        | 0.30                        |
| Contribution to National Pension Scheme                | 3.52                        | 2.93                        |
| Labour Welfare Fund                                    | 0.01                        | 0.02                        |
| <b>Total</b>   | <b>32.13</b>                | <b>30.90</b>                |

\* Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident Fund Commissioner and is charged to Statement of Profit and Loss.

**ii) Defined benefit plan**

The Company has a defined benefit gratuity plan (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**a) Change in bond yields -**

A decrease in government bond yields will increase plan liabilities.

**b) Inflation risk -**

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**c) Life expectancy -**

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**Table showing change in the present value of projected benefit obligation**

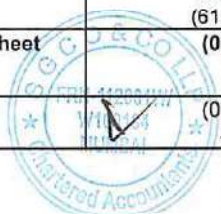
| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>Change in benefit obligations</b>                                      |                         |                         |
| Present value of benefit obligation at the beginning of the year          | 49.71                   | 44.32                   |
| Interest on defined benefit obligation                                    | 2.97                    | 2.49                    |
| Current Service cost  | 6.69                    | 7.41                    |
| (Benefit Paid From the Fund)  | -                       | (0.42)                  |
| Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions | (2.93)                  | (1.06)                  |
| Actuarial Losses on Obligations - Due to Experience                       | 5.15                    | (3.02)                  |
| <b>Liability at the end of the year</b>                                   | <b>61.59</b>            | <b>49.71</b>            |

**Table Showing Change in the Fair Value of Plan Assets**

| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>Fair Value of Plan Assets at the Beginning of the Period</b> | <b>49.79</b>            | <b>44.45</b>            |
| Interest income   | 3.20                    | 2.72                    |
| Contributions by the Employer                                   | 8.20                    | 2.78                    |
| Benefit Paid From the Fund                                      | -                       | (0.42)                  |
| Return on Plan Assets, Excluding Interest Income                | 0.62                    | 0.26                    |
| <b>Fair Value of Plan Assets at the End of the Period</b>       | <b>61.81</b>            | <b>49.79</b>            |

**Amount recognized in the Balance Sheet**

| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| Present value of unfunded defined benefit obligation                       | 61.59                   | 49.71                   |
| Amount not recognized due to asset limit                                   | (61.81)                 | (49.79)                 |
| <b>Net defined benefit liability / (asset) recognized in balance sheet</b> | <b>(0.22)</b>           | <b>(0.08)</b>           |
| Current  | (0.22)                  | (0.08)                  |
| Non-current  | -                       | -                       |



**Expenses recognized in the Statement of Profit and Loss**

| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| Current service cost                                    | 6.69                    | 7.41                    |
| Interest on net defined benefit liability / (asset)     | (0.22)                  | (0.23)                  |
| <b>Total expense charged to profit and loss account</b> | <b>6.47</b>             | <b>7.18</b>             |

**Expenses recognized in the Other comprehensive income (OCI)**

| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening amount recognized in OCI outside profit and loss account        |                         |                         |
| <u>Remeasurements during the period due to</u>                          |                         |                         |
| Changes in financial assumptions  | (2.93)                  | (1.06)                  |
| Changes in demographic assumptions                                      | -                       | -                       |
| Return on plan assets excluding amounts included in interest income     | (0.62)                  | (0.26)                  |
| Experience adjustments  | 5.15                    | (3.03)                  |
| <b>Closing amount recognized in OCI outside profit and loss account</b> | <b>1.60</b>             | <b>(4.35)</b>           |

The actuarial assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are as follows:

| Particulars                    | As at<br>March 31, 2023 | As at<br>March 31, 2022                                    |
|--------------------------------|-------------------------|--|
| Discount Rate                  | 7.35% p.a.              | 6.50% p.a.   |
| Expected return on plan assets | 7.35% p.a.              | 6.50% p.a.   |
| Retirement Age (years):        | 60 years                | 60 years   |
| Mortality tables               | 2012-14                 | 2012-14  |
| withdrawal rates per annum     |                         |  |
| 25 & below                     | 18%                     | 18%  |
| 25 to 35                       | 18%                     | 18%  |
| 35 to 45                       | 18%                     | 18%  |
| 45 to 55                       | 18%                     | 18%  |
| 55 and above                   | 18%                     | 18%  |
| Salary escalation rate         | 6.00% p.a               | 8.00% p.a for<br>next 1 years &<br>6.00% p.a<br>thereafter |

**Balance sheet reconciliation**

| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening net liability                                | (0.08)                  | (0.13)                  |
| Expenses recognized in Statement of Profit and Loss  | 6.47                    | 7.18                    |
| Expenses recognized in OCI                           | 1.60                    | (4.35)                  |
| Employer's Contribution                              | (8.20)                  | (2.78)                  |
| <b>Net liability recognized in the Balance Sheet</b> | <b>(0.21)</b>           | <b>(0.08)</b>           |

**Cash Flow Projection**

Expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| Expected benefits for year 1                       | 10.37                   | 7.92                    |
| Expected benefits for year 2                       | 10.15                   | 7.30                    |
| Expected benefits for year 3                       | 9.58                    | 7.28                    |
| Expected benefits for year 4                       | 8.88                    | 6.76                    |
| Expected benefits for year 5                       | 7.35                    | 6.25                    |
| Expected benefits for year 6 to 10 years cash flow | 25.62                   | 20.23                   |

**Sensitivity analysis**

| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| Projected benefit obligation on current assumptions     |                         |                         |
| Delta effect of +0.5% change in rate of discounting     | 60.28                   | 48.58                   |
| Delta effect of -0.5% change in rate of discounting     | 62.95                   | 50.88                   |
| Delta effect of +0.5% change in rate of salary increase | 62.80                   | 50.78                   |
| Delta effect of -0.5% change in rate of salary increase | 60.40                   | 48.65                   |



**Note 34: Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars   | 31-Mar-23        |                 |                  | 31-Mar-22        |                 |                  |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
|   | Within 12 months | After 12 months | Total            | Within 12 months | After 12 months | Total            |
| <b>Assets</b>   |                  |                 |                  |                  |                 |                  |
| <b>Financial assets</b>   |                  |                 |                  |                  |                 |                  |
| Cash and cash equivalents   | 1,330.70         | -               | 1,330.70         | 695.97           | -               | 695.97           |
| Bank Balance other than above   | 0.14             | -               | 0.14             | 0.12             | -               | 0.12             |
| Trade Receivables   | 524.08           | 11.12           | 535.20           | 202.67           | 35.77           | 238.44           |
| Loans   | 27,945.45        | 1,357.06        | 29,302.51        | 12,012.92        | 441.58          | 12,454.50        |
| Other financial assets  | 1,178.16         | 14.98           | 1,193.14         | 137.03           | 12.97           | 150.00           |
| <b>Non-financial Assets</b>   |                  |                 |                  |                  |                 |                  |
| Inventory   | -                | 50.95           | 50.95            | -                | 29.64           | 29.64            |
| Deferred tax assets (net)   | -                | 644.85          | 644.85           | -                | 494.14          | 494.14           |
| Property, plant and equipment   | -                | 41.75           | 41.75            | -                | 30.48           | 30.48            |
| Right-of-use assets   | 27.95            | 59.19           | 87.14            | 17.73            | 45.82           | 63.55            |
| Intangible assets under development   | 8.34             | -               | 8.34             | 0.63             | -               | 0.63             |
| Other intangible assets   | -                | 132.67          | 132.67           | -                | 160.09          | 160.09           |
| Other non financial assets  | 511.15           | 792.67          | 1,303.82         | 325.09           | 542.64          | 867.73           |
| <b>Total assets</b>   | <b>31,525.97</b> | <b>3,105.24</b> | <b>34,631.21</b> | <b>13,392.16</b> | <b>1,793.12</b> | <b>15,185.29</b> |
| <b>Liabilities</b>  |                  |                 |                  |                  |                 |                  |
| <b>Financial Liabilities</b>  |                  |                 |                  |                  |                 |                  |
| <b>Payables</b>   |                  |                 |                  |                  |                 |                  |
| <b>Trade Payables</b>   |                  |                 |                  |                  |                 |                  |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 4.49             | -               | 4.49             | 15.45            | -               | 15.45            |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 418.75           | -               | 418.75           | 139.07           | -               | 139.07           |
| <b>Debt Securities</b>  | 247.75           | 1,249.29        | 1,497.04         | 495.82           | 499.20          | 995.02           |
| Borrowings (other than debt securities)   | 20,276.13        | 65.49           | 20,341.62        | 10,067.13        | 49.43           | 10,116.57        |
| Other Financial liabilities   | 296.12           | 7.59            | 303.71           | 217.63           | 13.18           | 230.81           |
| <b>Non-financial Liabilities</b>  |                  |                 |                  |                  |                 |                  |
| <b>Provisions</b>   | 1,576.87         | 8.65            | 1,585.52         | 659.18           | 7.49            | 666.67           |
| Other non-financial liabilities   | 656.54           | -               | 656.54           | 212.22           | -               | 212.22           |
| <b>Total Liabilities</b>  | <b>23,476.65</b> | <b>1,331.02</b> | <b>24,807.67</b> | <b>11,806.51</b> | <b>569.30</b>   | <b>12,375.80</b> |
| <b>Net</b>  | <b>8,049.32</b>  | <b>1,774.22</b> | <b>9,823.54</b>  | <b>1,585.65</b>  | <b>1,223.83</b> | <b>2,809.48</b>  |



**Note 35: Revenue from Contract with Customer**

The Company derives revenue from a variety of service contract with customers which are governed by IND AS 115 such as interchange income, annual fees, business development incentives and other fees etc. Below table shows revenue from contract with customer.

| Revenue from services           | March 31, 2023  | March 31, 2022  |
|---------------------------------|-----------------|-----------------|
| Income from fees and services   | 4,784.59        | 2,963.31        |
| Income from Consultancy         | 11.26           | 111.08          |
| Business development incentives | 221.66          | 27.53           |
| <b>Total</b>                    | <b>5,017.51</b> | <b>3,101.92</b> |

**Disaggregation of Revenue:**

The Company is engaged in the business of issuing credit cards to consumers in India. It also provides support to Bank of Baroda by carrying out its merchant acquiring operations and manpower/consultancy services. The segment wise bifurcation is provided in note no 38.

**Receivable from contract with customers and contract balance**

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Trade receivables   | 535.20         | 238.44         |
| <b>Total</b>  | <b>535.20</b>  | <b>238.44</b>  |
| To be realised within twelve months after reporting date: | 535.20         | 238.44         |
| Trade receivables include unbilled revenue                | 252.13         | 100.72         |

**Contract Cost**

Cost of acquiring a customer is the incremental cost of obtaining the contract with customer, which is recognised in the profit and loss statement over the behavioural life of the customer i.e. 5 years.

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Opening Balance   | 306.72         | 217.30         |
| Capitalised during the year                               | 479.09         | 162.50         |
| Amortised during the year                                 | 141.92         | 73.08          |
| <b>Closing balance</b>                                    | <b>643.89</b>  | <b>306.72</b>  |
| To be realised within twelve months after reporting date: | 182.44         | 90.45          |
| To be realised after twelve months after reporting date:  | 461.45         | 216.27         |

The unamortised contract cost are disclosed in note:13 to financial statements.

**Contract liabilities**

The company sell credit card to card holders, income earned from customer as card fees is recognised as revenue over the period of 12 months.

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Opening Balance   | 59.11          | 62.57          |
| Capitalised during the year                               | 196.33         | 119.05         |
| Amortised during the year                                 | 127.00         | 122.51         |
| <b>Closing balance</b>                                    | <b>128.44</b>  | <b>59.11</b>   |
| To be realised within twelve months after reporting date: | 128.44         | 59.11          |
| To be realised after twelve months after reporting date:  | Nil            | Nil            |

The Contract Liabilities are disclosed in note:19 to financial statements.

**Note 36: Contingent liabilities, commitments**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

**Contingent Liabilities not provided for in respect of:**

| Particulars                                       | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Income tax matters - appeals by Company           | Nil            | Nil            |
| Claim filed against the Company in consumer court | 15.74          | 4.46           |
| <b>Total</b>                                      | <b>15.74</b>   | <b>4.46</b>    |

**Capital Commitments:**

| Particulars        | March 31, 2023 | March 31, 2022 |
|--------------------|----------------|----------------|
| Capital Commitment | 56.58          | -              |
| <b>Total</b>       | <b>56.58</b>   | <b>-</b>       |



**Note 37: Related party disclosures**

**Relationship**

Holding Company

Subsidiary company

Other Group Companies

**Name of the party**

Bank of Baroda

Nil

i) Subsidiaries of holding company

The Nainital Bank Limited

Bank of Baroda (Kenya) Limited

Bank of Baroda (Uganda) Limited

Bank of Baroda (Guyana) Inc

Bank of Baroda (UK) Limited

Bank of Baroda (Tanzania) Limited

Bank of Baroda (New Zealand) Ltd.

Bank of Baroda (Botswana) Limited

BOB Capital Markets Limited

Baroda Global Shared Services Ltd

Baroda Sun Technologies Ltd

BOB (UK) Ltd.

Baroda BNP Paribas Asset Management India Pvt. Ltd.

Baroda BNP Paribas Trustee India Pvt. Ltd.

Baroda Capital Markets (Uganda) Limited.

India First Life Insurance Company Limited

ii) Stepdown Subsidiaries of holding company

Baroda Capital Markets (Uganda) Limited

iii) Associates company of holding company

Baroda Uttar Pradesh Gramin Bank

Baroda Rajasthan Kshetriya Gramin Bank

Baroda Gujarat Gramin Bank

Indo- Zambia Bank Ltd (Lusaka)

India International Bank Malaysia Berhad

iv) Joint venture of holding company

India Infra debt Limited

**Name**

Shri Sanjiv Chadha

Shri Vikramaditya S Khichi

Shri Purshotam

Shri Debadatta Chand

Ms. Kadagatoor Venkateshmur (Non-executive Director)

Shri Sanjay Kao

Shri Sharad Sarin

Shri Sriraman Jagannathan

Shri Shailendra Singh

Ms. Pooja Kamani

Ms. Deepashri Cornelius

**Designation**

(Chairman)

(Nominee Director)(upto 31st July 2022)

(Non-executive Director)

(Non-executive Director)(appointed with effect from 16th

March 2023)

(Non-executive Director)

(Independent Director)

(Independent Director)(upto 28th September 2022)

(Independent Director) (appointed with effect from 29th

December 2022)

(Managing Director & CEO)

(Chief Financial Officer)

(Company Secretary)

**Key Management Personnel**



**BoB Financial Solution Ltd**  
**Notes to financial statements for the year ended 31st March 2023**  
(Figure in Rupees in millions, unless otherwise stated)

**Related Party transactions during the year:**

| Particulars  | Holding Company      |                      | Subsidiaries of holding company |                      | Associates / Enterprises owned or significantly influenced by Key Management Personnel |                      | Key Management Personnel |                      |
|--|----------------------|----------------------|---------------------------------|----------------------|--|----------------------|--------------------------|----------------------|
|  | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023            | As at March 31, 2022 | As at March 31, 2023   | As at March 31, 2022 | As at March 31, 2023     | As at March 31, 2022 |
|  |                      |                      |                                 |                      |  |                      |                          |                      |
| <b>Transactions</b>                                    |                      |                      |                                 |                      |  |                      |                          |                      |
| 1. MDR Subvention                                      | 44.30                | 67.21                | -                               | -                    | -  | -                    | -                        | -                    |
| 2. Service Charges                                     | 403.06               | 474.72               | -                               | -                    | -  | -                    | -                        | -                    |
| 3. Income from Consultancy service                     | 11.26                | 111.08               | -                               | -                    | -  | -                    | -                        | -                    |
| 4. POS Charges   | 6.46                 | 14.42                | -                               | -                    | -  | -                    | -                        | -                    |
| 5. Income from mutual fund investments                 | -                    | -                    | 13.01                           | 4.94                 | -  | -                    | -                        | -                    |
| 6. Rent  | 2.05                 | 1.72                 | -                               | -                    | -  | -                    | -                        | -                    |
| 7. Interest on Short term borrowings                   | 418.88               | 23.70                | -                               | -                    | -  | -                    | -                        | -                    |
| 8. Bank Charges  | 47.20                | 24.01                | -                               | -                    | -  | -                    | -                        | -                    |
| 9. Insurance Expenses                                  | -                    | -                    | 2.10                            | 1.35                 | -  | -                    | -                        | -                    |
| 10. Card issuance cost                                 | -                    | -                    | 52.73                           | 68.61                | -  | -                    | -                        | -                    |
| 11. Director's - Employee Benefit Expenses             | -                    | -                    | -                               | -                    | -  | -                    | -                        | 2.96                 |
| 12. Director's - sitting fees                          | -                    | -                    | -                               | -                    | -  | -                    | -                        | 0.52                 |
| 13. Key Managerial Persons - Employee Benefit Expenses | -                    | -                    | -                               | -                    | -  | -                    | -                        | 8.53                 |
| 14. Visa Other Charges                                 | 109.92               | 87.04                | -                               | -                    | -  | -                    | -                        | -                    |
| 15. Gratuity premium paid                              | 0.50                 | 0.50                 | 8.21                            | 2.78                 | -  | -                    | -                        | -                    |
| 16. Royalty for Logo                                   | 19.84                | 75.27                | -                               | -                    | -  | -                    | -                        | -                    |
| 17. Customer acquisition charges                       | 0.01                 | 0.003                | -                               | -                    | -  | -                    | -                        | -                    |
| 18. Interest on Fixed Deposit                          | 0.21                 | 0.19                 | -                               | -                    | -  | -                    | -                        | -                    |
| 19. Data validation charges                            | -                    | -                    | 1.51                            | -                    | -  | -                    | -                        | -                    |
| 20. Card Verification Charges                          | -                    | -                    | -                               | -                    | -  | -                    | -                        | -                    |
| <b>B. Balance Receivables at year end</b>              |                      |                      |                                 |                      |  |                      |                          |                      |
| 1. Trade Receivables                                   | 121.17               | 195.26               | -                               | -                    | -  | -                    | -                        | -                    |
| 2. Loan and advance to customer                        | -                    | -                    | 0.04                            | 0.50                 | -  | 0.13                 | -                        | 0.16                 |
| 3. Advance to vendor                                   | -                    | -                    | -                               | 0.82                 | -  | -                    | 0.22                     | -                    |
| 4. Cash and cash equivalents                           | 1,303.33             | 683.11               | -                               | -                    | 0.06   | -                    | -                        | -                    |
| 5. Bank balance other than above                       | 0.14                 | 0.12                 | -                               | -                    | -  | -                    | -                        | -                    |
| 6. Gratuity (Life Insurance Fund)                      | -                    | -                    | 61.81                           | 49.79                | -  | -                    | -                        | -                    |
| 7. Interest on FDR receivable                          | 0.003                | 0.003                | -                               | -                    | -  | -                    | -                        | -                    |
| <b>C. Balance Payables at year end</b>                 |                      |                      |                                 |                      |  |                      |                          |                      |
| 1. Borrowings (other than debt securities)             | 10,998.79            | 3,450.05             | -                               | -                    | -  | -                    | -                        | -                    |
| 2. Trade Payables                                      | 319.93               | 91.72                | 0.02                            | 15.32                | -  | -                    | -                        | -                    |
| 3. Provisions  | 1.22                 | 12.52                | 8.26                            | -                    | -  | -                    | -                        | -                    |
| 4. Other financial liabilities                         | -                    | -                    | -                               | -                    | -  | -                    | -                        | -                    |
| <b>D. Equity Contribution</b>                          | 7,000.00             | 1,000.00             | -                               | -                    | -  | -                    | -                        | -                    |

**Note:**

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
- The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.



**Note 38: Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Company has complied in full with all its externally imposed capital requirements over the reported period.

**Capital Management**

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

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

| Particulars                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------|-------------------------|-------------------------|
| <b>Regulatory capital</b>          |                         |                         |
| Common Equity Tier1 (CET1) capital | 8,366.43                | 1,814.57                |
| Other Tier 2 capital instruments   | 1,659.60                | 673.32                  |
| <b>Total capital</b>               | <b>10,026.03</b>        | <b>2,487.89</b>         |
| <b>Risk weighted assets</b>        |                         |                         |
| i) CRAR (%) / CET1 capital ratio   | <b>30.54%</b>           | <b>17.86%</b>           |
| ii) CRAR - Tier I capital (%)      | 25.49%                  | 13.03%                  |
| iii) CRAR - Tier II Capital (%)    | 5.06%                   | 4.83%                   |

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

**Analytical Ratio**

| Ratio  | Numerator | Denominator | Current Period | Previous Period | % Variance | Reason for variance (if above 25%)    |
|--|-----------|-------------|----------------|-----------------|------------|---------------------------------------|
| Capital to risk-weighted assets ratio (CRAR) | 10,026.03 | 32,824.84   | 30.54%         | 17.86%          | 71.02%     | Due to Tier I and II capital infusion |
| Tier I CRAR                                  | 8,366.43  | 32,824.84   | 25.49%         | 13.03%          | 95.66%     | Due to Tier I capital infusion        |
| Tier II CRAR                                 | 1,659.60  | 32,824.84   | 5.06%          | 4.83%           | 4.60%      | Due to increase in RWA.               |
| LCR Ratio*                                   | NA        | NA          | NA             | NA              | NA         |                                       |

\* As per RBI notification no RBI/2019-20/88/DOR.NBFC(PD) CC.No. 102/03.10.001/2019-20 dtd 04th November 2019, calculation and maintenance of LCR (Liquidity Coverage Ratio) is not applicable for non-deposit taking NBFCs with asset size of less than ₹ 5,000 crore.





**BoB Financial Solution Ltd**  
**Notes to financial statements for the year ended 31st March 2023**  
(Figure in Rupees in millions, unless otherwise stated)

39 The Company does not have 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)

**Note 40: Segment reporting**

The Management has reviewed and reconsidered the requirements of presenting segment information and accordingly identified Business segment as the Primary segment for disclosure for the current year. The Company operations are in India and hence there is no segment reporting by geographical segment. Segment information has been prepared in conformity with the Ind AS 108 on 'segment reporting'.

| Business Segment                          | Merchant (acquiring) |              | Credit Card (issuing) |              | Debit Card   |              | Other        |              | Total            |                  |
|---|----------------------|--------------|-----------------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|
|   | F.Y. 2022-23         | F.Y. 2021-22 | F.Y. 2022-23          | F.Y. 2021-22 | F.Y. 2022-23 | F.Y. 2021-22 | F.Y. 2022-23 | F.Y. 2021-22 | F.Y. 2022-23     | F.Y. 2021-22     |
| Revenue                                   | 824.63               | 1,287.21     | 7,985.96              | 3,596.11     | -            | 2.12         | 11.26        | 111.10       | 8,821.84         | 4,996.53         |
| Result                                    | 100.97               | 207.63       | (85.65)               | (280.68)     | -            | 3.36         | 3.30         | 10.09        | 18.61            | (59.60)          |
| Operating Profit                          | 100.97               | 207.63       | (85.65)               | (280.68)     | -            | 3.36         | 3.30         | 10.09        | 18.61            | (59.60)          |
| Profit/(Loss) before tax                  | 100.97               | 207.63       | (85.65)               | (280.68)     | -            | 3.36         | 3.30         | 10.09        | 18.61            | (59.60)          |
| Income Taxes                              |                      |              |                       |              |              |              |              |              | 3.35             | 44.69            |
| Net Profit before OCI adjustment          |                      |              |                       |              |              |              |              |              | 15.26            | (104.28)         |
| Other Information                         |                      |              |                       |              |              |              |              |              |                  |                  |
| Segment Assets                            | 182.51               | 623.55       | 32,137.44             | 13,295.86    | -            | 9.15         | 9.89         | 66.49        | 32,329.84        | 13,995.05        |
| Unallocated Assets                        |                      |              |                       |              |              |              |              |              | 2,301.37         | 1,190.24         |
| <b>Total Assets</b>                       |                      |              |                       |              |              |              |              |              | <b>34,631.21</b> | <b>15,185.29</b> |
| Segment Liabilities                       | 230.22               | 134.53       | 2,572.12              | 1,112.34     | -            | 8.96         | 166.69       | 8.39         | 2,969.02         | 1,264.22         |
| Unallocated Liabilities                   |                      |              |                       |              |              |              |              |              | 31,662.19        | 13,921.07        |
| <b>Total Liabilities</b>                  |                      |              |                       |              |              |              |              |              | <b>34,631.21</b> | <b>15,185.29</b> |
| Capital Expenditure                       | 0.81                 | 36.75        | 38.00                 | 28.73        | -            | -            | -            | -            | 38.82            | 65.48            |
| Unallocated                               |                      |              |                       |              |              |              |              |              |                  |                  |
| Depreciation/Amortisation                 | 7.40                 | 105.60       | 73.58                 | 45.54        | -            | -            | -            | -            | 80.98            | 151.14           |
| Unallocated                               |                      |              |                       |              |              |              |              |              |                  |                  |
| Non cash expenses other than depreciation | 0.23                 | 6.44         | -                     | 1.00         | -            | 2.11         | -            | -            | 0.23             | 9.55             |



**Note 41: Leases**

The Company's lease asset class primarily consist of leases for office premises. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| Office premises                     | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Opening net carrying balance        | 63.55          | 81.28          |
| Additions                           | 51.13          | -              |
| Deletions                           | -              | -              |
| Depreciation                        | (27.53)        | (17.73)        |
| <b>Closing net carrying balance</b> | <b>87.15</b>   | <b>63.55</b>   |

Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

| Particulars            | March 31, 2023 | March 31, 2022 |
|------------------------|----------------|----------------|
| Opening Balance        | 66.52          | 81.20          |
| Additions              | 51.13          | -              |
| Deletions              | -              | -              |
| Accretion of interest  | 6.51           | 5.17           |
| Payments               | (31.33)        | (19.85)        |
| <b>Closing Balance</b> | <b>92.83</b>   | <b>66.52</b>   |

**Maturity analysis of undiscounted lease liability**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

| Particulars                                  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Not later than one year                      | 27.34          | 17.09          |
| later than one year not later than five year | 65.49          | 49.43          |
| Later than five year                         | -              | -              |
| <b>Total undiscounted lease liabilities</b>  | <b>92.83</b>   | <b>66.52</b>   |

| Amounts recognized in the Statement of Profit and Loss | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| <b>Depreciation expense</b>                            |                |                |
| Depreciation on right of use assets                    | 27.53          | 17.74          |
| <b>Other expenses</b>                                  |                |                |
| Short-term lease rent expense                          | 6.48           | 19.60          |
| <b>Finance cost</b>                                    |                |                |
| Interest expense on lease liability                    | 6.51           | 5.17           |



**Note 42: Fair value measurement**

The following table combines comparable information about :

- classes of financial instruments based on their financial nature and characteristics.

- carrying amount of financial instruments.

-The financial assets / liabilities are recorded at amortised cost

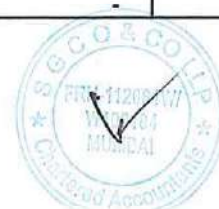
- All the financial assets and financial liabilities carrying value which is at amortised cost reflects fair value for these assets and liabilities.

**Accounting classification and fair values.****As at March 31, 2023**

| Particulars                             | Carrying value |                  |                  | Fair Value |          |           |       |
|---|----------------|------------------|------------------|------------|----------|-----------|-------|
|   | FVTPL          | Amortised cost   | Total            | Level I    | Level II | Level III | Total |
| <b>Financial assets</b>                 |                |                  |                  |            |          |           |       |
| Cash and cash equivalents               | -              | 1,330.70         | 1,330.70         | -          | -        | -         | -     |
| Bank balance other than above           | -              | 0.14             | 0.14             | -          | -        | -         | -     |
| Receivables                             | -              | 535.20           | 535.20           | -          | -        | -         | -     |
| Loans                                   | -              | 29,302.51        | 29,302.51        | -          | -        | -         | -     |
| Investments                             | -              | -                | -                | -          | -        | -         | -     |
| Other financial assets                  |                |                  |                  |            |          |           |       |
| Reimbursement Assets                    | -              | 921.25           | 921.25           | -          | -        | -         | -     |
| Recoverable towards Settlement Agency   | -              | 246.13           | 246.13           | -          | -        | -         | -     |
| Security deposits                       | -              | 14.99            | 14.99            | -          | -        | -         | -     |
| Chargeback recoverable                  | -              | 8.49             | 8.49             | -          | -        | -         | -     |
| Others                                  | -              | 2.28             | 2.28             | -          | -        | -         | -     |
| <b>Total</b>                            | -              | <b>32,361.69</b> | <b>32,361.69</b> | -          | -        | -         | -     |
| <b>Financial liabilities</b>            |                |                  |                  |            |          |           |       |
| Trade Payables                          | -              | 423.24           | 423.24           | -          | -        | -         | -     |
| Debt securities                         | -              | 1,497.04         | 1,497.04         | -          | -        | -         | -     |
| Borrowings (other than debt securities) | -              | 20,341.62        | 20,341.62        | -          | -        | -         | -     |
| Other financial liabilities             |                |                  |                  |            |          |           |       |
| Advance from customers                  | -              | 272.27           | 272.27           | -          | -        | -         | -     |
| Onus Chargeback                         | -              | 9.08             | 9.08             | -          | -        | -         | -     |
| Refundable Deposit                      | -              | 6.70             | 6.70             | -          | -        | -         | -     |
| Charge back hold                        | -              | 5.97             | 5.97             | -          | -        | -         | -     |
| Others                                  | -              | 9.69             | 9.69             | -          | -        | -         | -     |
| <b>Total</b>                            | -              | <b>22,565.61</b> | <b>22,565.61</b> | -          | -        | -         | -     |

**As at March 31, 2022**

| Particulars                             | Carrying value |                  |                  | Fair Value |          |           |       |
|---|----------------|------------------|------------------|------------|----------|-----------|-------|
|   | FVTPL          | Amortised cost   | Total            | Level I    | Level II | Level III | Total |
| <b>Financial assets</b>                 |                |                  |                  |            |          |           |       |
| Cash and cash equivalents               | -              | 695.97           | 695.97           | -          | -        | -         | -     |
| Bank balance other than above           | -              | 0.12             | 0.12             | -          | -        | -         | -     |
| Trade receivables                       | -              | 238.44           | 238.44           | -          | -        | -         | -     |
| Loans                                   | -              | 12,454.50        | 12,454.50        | -          | -        | -         | -     |
| Investments                             | -              | -                | -                | -          | -        | -         | -     |
| Other financial assets                  |                |                  |                  |            |          |           |       |
| Recoverable towards Settlement Agency   | -              | 92.01            | 92.01            | -          | -        | -         | -     |
| Security deposits                       | -              | 12.97            | 12.97            | -          | -        | -         | -     |
| Chargeback recoverable                  | -              | 6.78             | 6.78             | -          | -        | -         | -     |
| Others                                  | -              | 38.25            | 38.25            | -          | -        | -         | -     |
| <b>Total</b>                            | -              | <b>13,539.03</b> | <b>13,539.03</b> | -          | -        | -         | -     |
| <b>Financial liabilities</b>            |                |                  |                  |            |          |           |       |
| Trade Payables                          | -              | 154.52           | 154.52           | -          | -        | -         | -     |
| Debt securities                         | -              | 995.02           | 995.02           | -          | -        | -         | -     |
| Borrowings (other than debt securities) | -              | 10,116.57        | 10,116.57        | -          | -        | -         | -     |
| Other financial liabilities             |                |                  |                  |            |          |           |       |
| Advance from customers                  | -              | 165.71           | 165.71           | -          | -        | -         | -     |
| Onus Chargeback                         | -              | 2.61             | 2.61             | -          | -        | -         | -     |
| Refundable Deposit                      | -              | 6.01             | 6.01             | -          | -        | -         | -     |
| Charge back hold                        | -              | 8.51             | 8.51             | -          | -        | -         | -     |
| Others                                  | -              | 47.98            | 47.98            | -          | -        | -         | -     |
| <b>Total</b>                            | -              | <b>11,496.92</b> | <b>11,496.92</b> | -          | -        | -         | -     |



**Note 43: Risk Management**

**Introduction and Risk Profile**

Company started of its operations in 1994 with Credit card issuance. This process of risk management is critical to company's vision, and holds very high importance in the board governance. The company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

**(a) Risk management structure**

Credit risk is the risk of incurring financial loss to the company due to the default of company's customers in fulfilling their contractual obligations to the company. The credit risk management team reports to Chief Risk Officer. The Chief Risk Officer meets with the Audit and Risk Management Committee (ARMC) independently every quarter. Credit risk arises mainly from loans and advances to retail customers arising on account of facilitating credit card loans to customers.

**Credit risk management approach**

Managing credit risk within the Board defined Risk appetite is the most important part of total risk management exercise. The Company's credit risk sub function headed by Chief Risk Officer (CRO) is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, and robust risk policies and control frameworks, implementing and continually re-evaluating our risk appetite and ensuring there is adequate monitoring of credit risks, their costs and their mitigation. The basic credit risk management would cover two key areas, viz., (a) customer selection & (b) customer management. These are governed by Board Approved Credit Policy and Collections Policy which is reviewed on a regular basis. Organization has worked on strengthening the credit decision process with pre-qualification of the probable customers and scientific selection based on liability score model developed internally for appropriate customer selection and targeting. We have made multiple interventions throughout the year to strengthen the acquisition quality. This has led to selective cherry-picking of better quality salaried acquisition as well as weeding out the toxic portfolio which had caused bleeding in the earlier years basis our experience, in the current financial year. The changes include discontinuation of programs, revision in MCP, scorecard level changes etc. Credit limit assignment is a function of income capacity and risk assessment done for the individual applicant. Risk assessment is done based on internal scorecards that are based on applicant bureau history, application profile and demographic variables. Further, we assess the credit history indicators as determined by independent 3rd party agencies – external rating, bureau reporting, RBI negative list and asset classification letters from bankers.

Post acquisition portfolio delinquency management is carried out through Account Management System, which includes:

- Fraud detection
- Portfolio quality review
- Credit line increase
- Cross sell on cards
- Behaviour scorecard; and
- Collection score card etc.

The Company deploys right technology and resources to ensure the same. The Company has deployed practices/analytics such as the following to monitor and mitigate credit Delinquency metrics have been developed and constantly evaluated & portfolio interventions leading to better quality of incoming new accounts Strong collection practices driving consistent improvements in collection metrics & leveraging the latest credit bureau information to improve recoveries from older pools Strong use of analytics in measuring and monitoring credit risk are used such as; Scorecards assessing default risk & payment propensity Predictive Business Analytics Models

**The key elements in calculation of ECL are as follows:**

**Stage 1: 12-months ECL**

All exposures that are not credit impaired and where there has not been a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

For these assets, 12-month ECL is recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

**Stage 2: Lifetime ECL – not credit impaired**

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, are classified under this stage.

Exposures with DPD greater than 30 days but less than or equal to 89 days are classified as stage 2. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

**Stage 3: Lifetime ECL – credit impaired**

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

For financial assets that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.



The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As on 31st March 2023

| Category     | Assets category | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount | PD               |
|--------------|-----------------|-----------------------|----------------------|---------------------|------------------|
| Stage 1      | Credit card     | 29,727.09             | 1,578.48             | 28,148.61           | 0.56 % to 8.95%  |
| Stage 2      | Credit card     | 1,458.92              | 521.71               | 937.20              | 2.81 % to 37.42% |
| Stage 3      | Credit card     | 1,671.30              | 1,454.61             | 216.70              | 81.11%           |
| <b>Total</b> |                 | <b>32,857.31</b>      | <b>3,554.80</b>      | <b>29,302.51</b>    |                  |

As on 31st March 2022

| Category     | Assets category | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount | PD               |
|--------------|-----------------|-----------------------|----------------------|---------------------|------------------|
| Stage 1      | Credit card     | 12,644.85             | 808.81               | 11,836.04           | 0.70 % to 14.49% |
| Stage 2      | Credit card     | 559.55                | 109.39               | 450.16              | 0.70 % to 43%    |
| Stage 3      | Credit card     | 1,078.84              | 910.54               | 168.30              | 75% to 100%      |
| <b>Total</b> |                 | <b>14,283.24</b>      | <b>1,828.74</b>      | <b>12,454.50</b>    |                  |

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

As at March 31, 2023

| Risk categorisation   | Stage 1          | Stage 2         | Stage 3         | Total            |
|---|------------------|-----------------|-----------------|------------------|
| <b>Internal rating grade</b>                                  |                  |                 |                 |                  |
| <b>Performing</b>   |                  |                 |                 |                  |
| High grade (0 DPD)  | 28,049.89        | -               | -               | 28,049.89        |
| Standard grade (1-30 DPD)                                     | 1,677.20         | -               | -               | 1,677.20         |
| Sub-standard grade (31-60 DPD)                                | -                | 1,135.68        | -               | 1,135.68         |
| Past due but not impaired (61-89 DPD)                         | -                | 323.24          | -               | 323.24           |
| <b>Non- performing</b>  |                  |                 |                 |                  |
| Individually impaired (90 DPD and above, restructured assets) | -                | -               | 1,671.30        | 1,671.30         |
| <b>Total</b>  | <b>29,727.09</b> | <b>1,458.92</b> | <b>1,671.30</b> | <b>32,857.31</b> |

As at March 31, 2022

| Risk categorisation   | Stage 1          | Stage 2       | Stage 3         | Total            |
|---|------------------|---------------|-----------------|------------------|
| <b>Performing</b>   |                  |               |                 |                  |
| High grade (0 DPD)  | 12,644.83        | -             | -               | 12,644.83        |
| Standard grade (1-30 DPD)                                     | 0.03             | -             | -               | 0.03             |
| Sub-standard grade (31-60 DPD)                                | -                | 544.63        | -               | 544.63           |
| Past due but not impaired (61-89 DPD)                         | -                | 14.92         | -               | 14.92            |
| <b>Non- performing</b>  |                  |               |                 |                  |
| Individually impaired (90 DPD and above, restructured assets) | -                | -             | 1,078.84        | 1,078.84         |
| <b>Total</b>  | <b>12,644.85</b> | <b>559.55</b> | <b>1,078.84</b> | <b>14,283.24</b> |

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan

As at March 31, 2023

| Particulars   | Stage 1          | Stage 2         | Stage 3         | Total            |
|---|------------------|-----------------|-----------------|------------------|
| Gross carrying amount as at March 31, 2022  | 12,644.85        | 559.55          | 1,078.84        | 14,283.24        |
| New assets originated or purchased*   | 17,373.54        | -               | -               | 17,373.54        |
| Assets derecognised or repaid (excluding write offs)                                  | (243.87)         | -               | (58.26)         | (302.13)         |
| Transfers to Stage 1  | 1,228.29         | (231.78)        | (383.35)        | 613.16           |
| Transfers to Stage 2  | (735.13)         | 1,335.43        | (4.02)          | 596.28           |
| Transfers to Stage 3  | (540.39)         | (204.28)        | 1,832.39        | 1,087.72         |
| Changes to contractual cash flows due to modifications not resulting in derecognition |                  |                 |                 |                  |
| Amounts written off   | (0.21)           | -               | (794.30)        | (794.51)         |
| Gross carrying amount as at March 31, 2023  | <b>29,727.09</b> | <b>1,458.92</b> | <b>1,671.30</b> | <b>32,857.30</b> |



BoB Financial Solution Ltd

Notes to financial statements for the year ended 31st March 2023

(Figure in Rupees in millions, unless otherwise stated)

As at March 31, 2022

| Particulars   | Stage 1    | Stage 2  | Stage 3  | Total      |
|---|------------|----------|----------|------------|
| Gross carrying amount as at April 1, 2021   | 7,693.81   | 427.50   | 653.53   | 8,774.84   |
| New assets originated or purchased*   | 7,097.63   | 591.49   | 879.79   | 8,568.91   |
| Assets derecognised or repaid (excluding write offs)                                  | (1,718.91) | (1.83)   | (510.40) | (2,231.14) |
| Transfers to Stage 1  | 635.82     | (631.80) | (4.02)   | 0.00       |
| Transfers to Stage 2  | (591.50)   | 582.19   | -        | (9.31)     |
| Transfers to Stage 3  | (471.79)   | (408.00) | 594.57   | (285.22)   |
| Changes to contractual cash flows due to modifications not resulting in derecognition |            |          |          |            |
| Amounts written off   | (0.21)     | -        | (534.63) | (534.84)   |
| Gross carrying amount as at March 31, 2022  | 12,644.85  | 559.55   | 1,078.84 | 14,283.24  |

Reconciliation of ECL balance

As at March 31, 2023

| Particulars  | Stage 1  | Stage 2  | Stage 3  | Total    |
|--|----------|----------|----------|----------|
| Impairment allowance for loans to customers as at March 31, 2022               | 808.81   | 109.39   | 910.54   | 1,828.74 |
| Assets derecognised or repaid  | (352.50) | (1.83)   | (510.40) | (864.73) |
| New assets originated  | 1,234.23 | 500.01   | 1,171.76 | 2,906.00 |
| Impact on year end ECL of Exposures transferred between stages during the year |          |          |          |          |
| Transfers to Stage 1   |          | (103.57) | (4.02)   | (107.59) |
| Transfers to Stage 2   | (58.63)  | 57.14    | -        | (1.49)   |
| Transfers to Stage 3   | (53.23)  | (39.42)  | 681.03   | 588.38   |
| Changes to models and inputs used for ECL calculations                         |          |          |          |          |
| Amounts written off  | (0.21)   | -        | (794.30) | (794.51) |
| Impairment allowance for loans to customers as at March 31, 2023               | 1,578.48 | 521.71   | 1,454.61 | 3,554.80 |

As at March 31, 2022

| Particulars  | Stage 1  | Stage 2 | Stage 3  | Total    |
|--|----------|---------|----------|----------|
| Impairment allowance for loans to customers as at April 1, 2021                | 596.97   | 94.05   | 653.53   | 1,344.55 |
| Assets derecognised or repaid  | (165.34) | (1.83)  | (510.40) | (677.57) |
| New assets originated  | 404.60   | 58.33   | 679.40   | 1,142.33 |
| Impact on year end ECL of Exposures transferred between stages during the year |          |         |          |          |
| Transfers to Stage 1   | 51.23    | (62.87) | (4.02)   | (15.66)  |
| Transfers to Stage 2   | (41.54)  | 57.13   | -        | 15.59    |
| Transfers to Stage 3   | (36.90)  | (35.42) | 626.66   | 554.34   |
| Changes to models and inputs used for ECL calculations                         |          |         |          |          |
| Amounts written off  | (0.21)   | -       | (534.63) | (534.84) |
| Impairment allowance for loans to customers as at March 31, 2022               | 808.81   | 109.39  | 910.54   | 1,828.74 |



(b) Liquidity risk and funding management

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

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

31 March 2023

| Particulars                                     | On demand       | Up to one Month  | One month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | more than 5 years | Total            |
|---|-----------------|------------------|-----------------------|----------------------|----------------------|--------------------|-------------------|--------------------|-------------------|------------------|
| <b>Financial assets</b>                         |                 |                  |                       |                      |                      |                    |                   |                    |                   |                  |
| Cash and cash equivalents                       | 1,330.70        | -                | -                     | -                    | -                    | -                  | -                 | -                  | -                 | 1,330.70         |
| Bank balance other than above                   | 0.14            | -                | -                     | -                    | -                    | -                  | -                 | -                  | -                 | 0.14             |
| Receivables                                     | -               | 58.87            | 80.28                 | 187.32               | 48.17                | 80.28              | -                 | -                  | -                 | 585.20           |
| Loans   | -               | 17,842.45        | 4,907.35              | 1,770.96             | 1,975.50             | 1,129.26           | 227.80            | -                  | -                 | 29,302.51        |
| Investments                                     | -               | -                | -                     | -                    | -                    | -                  | -                 | -                  | -                 | -                |
| Other financial assets                          | -               | 123.07           | -                     | 0.17                 | 1,054.92             | 14.99              | -                 | -                  | -                 | 1,193.14         |
| <b>Total undiscounted financial assets</b>      | <b>1,330.84</b> | <b>18,024.39</b> | <b>4,987.63</b>       | <b>2,162.99</b>      | <b>2,552.28</b>      | <b>1,224.53</b>    | <b>227.80</b>     | <b>-</b>           | <b>-</b>          | <b>32,361.99</b> |
| <b>Financial liabilities</b>                    |                 |                  |                       |                      |                      |                    |                   |                    |                   |                  |
| Trade Payables                                  | -               | 296.27           | 84.65                 | 42.32                | -                    | -                  | -                 | -                  | -                 | 423.24           |
| Debt securities                                 | -               | 247.75           | 2,417.75              | 4,000.00             | 3,000.00             | 400.00             | 399.04            | -                  | 1,249.29          | 1,497.04         |
| Borrowings (other than debt securities)         | -               | 5,599.76         | 6,850.00              | 5.97                 | 3.81                 | 1.02               | 7.60              | -                  | -                 | 20,248.90        |
| Other financial liabilities                     | -               | 282.06           | 3.25                  | 5.97                 | 3.81                 | 1.02               | 7.60              | -                  | -                 | 303.71           |
| <b>Total undiscounted financial liabilities</b> | <b>-</b>        | <b>6,178.09</b>  | <b>7,185.65</b>       | <b>4,048.29</b>      | <b>3,003.81</b>      | <b>401.02</b>      | <b>406.63</b>     | <b>-</b>           | <b>1,249.29</b>   | <b>22,472.79</b> |

31 March 2022

| Particulars                                     | On demand     | Up to one Month | One month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | more than 5 years | Total            |
|---|---------------|-----------------|-----------------------|----------------------|----------------------|--------------------|-------------------|--------------------|-------------------|------------------|
| <b>Financial assets</b>                         |               |                 |                       |                      |                      |                    |                   |                    |                   |                  |
| Cash and cash equivalents                       | 695.97        | -               | -                     | -                    | -                    | -                  | -                 | -                  | -                 | 695.97           |
| Bank balance other than above                   | 0.12          | -               | -                     | -                    | -                    | -                  | -                 | -                  | -                 | 0.12             |
| Receivables                                     | -             | 26.23           | 35.77                 | 83.45                | 21.46                | 35.77              | -                 | -                  | -                 | 238.44           |
| Loans   | -             | 7,109.87        | 2,417.75              | 951.98               | 993.32               | 540.00             | 273.23            | 168.35             | -                 | 12,454.50        |
| Investments                                     | -             | -               | -                     | -                    | -                    | -                  | -                 | -                  | -                 | -                |
| Other financial assets                          | -             | 46.01           | -                     | 3.17                 | 87.86                | 12.97              | -                 | -                  | -                 | 150.00           |
| <b>Total undiscounted financial assets</b>      | <b>696.09</b> | <b>7,182.11</b> | <b>2,453.51</b>       | <b>1,079.94</b>      | <b>649.32</b>        | <b>321.97</b>      | <b>168.35</b>     | <b>-</b>           | <b>-</b>          | <b>13,539.03</b> |
| <b>Financial liabilities</b>                    |               |                 |                       |                      |                      |                    |                   |                    |                   |                  |
| Trade Payables                                  | -             | 108.17          | 30.90                 | 15.45                | -                    | -                  | -                 | -                  | -                 | 154.52           |
| Debt securities                                 | -             | 495.82          | 2,500.00              | 4,000.00             | 4,100.00             | 760.04             | -                 | -                  | 489.20            | 995.02           |
| Borrowings (other than debt securities)         | -             | 190.01          | 6.10                  | 7.90                 | 6.24                 | 6.16               | 13.18             | -                  | -                 | 10,050.05        |
| Other financial liabilities                     | -             | 191.23          | 37.01                 | 3,019.17             | 2,506.24             | 4,106.16           | 773.22            | -                  | 489.20            | 230.81           |
| <b>Total undiscounted financial liabilities</b> | <b>-</b>      | <b>489.40</b>   | <b>37.01</b>          | <b>3,019.17</b>      | <b>2,506.24</b>      | <b>4,106.16</b>    | <b>773.22</b>     | <b>-</b>           | <b>489.20</b>     | <b>11,430.40</b> |



Notes to financial statements for the year ended 31st March 2023  
(Figure in Rupees in millions, unless otherwise stated)

**BoB Financial Solution Ltd**

Notes to financial statements for the year ended 31st March 2023  
(Figure in Rupees in millions, unless otherwise stated)

**(c) Market risk**

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Assets and Liability Management policy which empowers the Assets and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest risk on periodic basis and decides on the assets profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

|                              | As March 31, 2023 | As March 31, 2022 |
|------------------------------|-------------------|-------------------|
| <b>Financial Assets</b>      |                   |                   |
| Fixed-rate instruments       | 29,302.51         | 12,454.50         |
| Floating-rate instruments    | -                 | -                 |
| <b>total</b>                 | <b>29,302.51</b>  | <b>12,454.50</b>  |
| <b>Financial Liabilities</b> |                   |                   |
| Fixed-rate instruments       | 1,497.04          | 995.02            |
| Floating-rate instruments    | 20,248.79         | 10,050.05         |
| <b>total</b>                 | <b>21,745.83</b>  | <b>11,045.07</b>  |

**Fair value sensitivity analysis for floating-rate instruments.**

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant through out the reporting period in case of instruments that have floating rates. If the interest rate had been 100 basis points higher or lower and all other variables were constant, the Company profit before tax would have changed by the following.

| Particulars      | As March 31, 2023 |               | As March 31, 2022 |               |
|------------------|-------------------|---------------|-------------------|---------------|
|                  | 100 bps higher    | 100 bps lower | 100 bps higher    | 100 bps lower |
| impact on profit | (183.99)          | 183.99        | (81.24)           | 81.24         |

**(d) Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. The Company's focuses on management and control of operational risks through a comprehensive system of internal controls and monitoring performance of each function against defined thresholds.

Operational risk management comprises identification and assessment of risk and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

**Note 44: Expenditure in foreign currency**

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| <b>Income in Foreign currency</b>   |                |                |
| Income from credit card international operation, Currency conversion charges, Business Development incentive income | 84.02          | 23.61          |
| <b>Total</b>  | <b>84.02</b>   | <b>23.61</b>   |
| <b>Expenditure in foreign currency</b>  |                |                |
| Scheme charges  | 350.91         | 309.84         |
| <b>Total</b>  | <b>350.91</b>  | <b>309.84</b>  |





**BoB Financial Solution Ltd**

**Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

**45 Un-redeemed Reward Points :**

The Company has a reward point program which allows card members to earn points based on spends through the cards that can be redeemed for cash. In addition, Company has designed a Reward & Recognition program for sourcing credit card through branches of the Holding Company. Accordingly the eligible employees of the Holding Company is rewarded with bonus points through a credit in their card accounts. The liability for rewards points outstanding as at the year end and expected to be redeemed in the future is accounted for on the basis of actuarial valuation.

Movement of provision for rewards points expenses.

| Particulars                                    | As At 31.03.2023 | As At 31.03.2022 |
|--|------------------|------------------|
| Provision at the beginning of the year         | 145.04           | 81.33            |
| Add: Addition made during the year             | 542.54           | 323.64           |
| Less:- Amount used during the year             | 454.38           | 259.93           |
| Less:- Unused amounts reversed during the year | -                | -                |
| Amount at the end of the year                  | 233.20           | 145.04           |

46 There are no scheme of arrangements which has been approved by the board of directors in terms of sections 230 to 237 of the Companies Act, 2013.

47 In respect of accounts receivables, the Company is regularly generating and dispatching customer statements on periodic interval wherever transactions or outstanding are there. In case of disputes with regard to billing, there is a process of resolution and adjustments are carried out on regular basis. Moreover, in respect of accounts payable, the Company has a process of receiving regular balance confirmation from its vendors. The balances are reconciled with the balance confirmation received and discrepancies, if any are accounted on regular basis. For the year end balances of Account Receivables, Account Payables and Loans & Advances, the management is of the opinion that adjustments, if any required through the above-mentioned process, will not have any material impact on the financials of the Company.

48 Previous Year's figures have been regrouped, and/ or rearranged and/ or reclassified wherever necessary to make them comparable with current year's figures.

49 Schedule of Balance sheet of Systemically Important Non-deposit taking Non-Banking Financial Company as required in terms of Paragraph 19 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

| Sr. NO. | Particulars   | As at 31st March 2023 |                | As at 31st March 2022        |                              |
|---------|---|-----------------------|----------------|------------------------------|------------------------------|
|         |   | Amount outstanding    | Amount overdue | Amount outstanding           | Amount overdue               |
|         | <b>Liabilities side</b>   |                       |                |                              |                              |
|         | <b>Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid.</b>             |                       |                |                              |                              |
|         | a) Debenture: Secured   | Nil                   | Nil            | Nil                          | Nil                          |
|         | Unsecured   | 1,249.29              | Nil            | 499.20                       | Nil                          |
|         | (other than falling within the meaning of public deposit)   |                       |                |                              |                              |
| 1       | b) Deferred credits   | Nil                   | Nil            | Nil                          | Nil                          |
|         | c) Terms Loans  | Nil                   | Nil            | Nil                          | Nil                          |
|         | d) Inter-corporate loans & borrowing  | Nil                   | Nil            | Nil                          | Nil                          |
|         | e) Commercial paper   | Nil                   | Nil            | Nil                          | Nil                          |
|         | f) Public Deposit   |                       |                |                              |                              |
|         | g) Other loans  |                       |                |                              |                              |
|         | -Cash Credit facility & Working capital term  | 20,341.62             | Nil            | 10,116.57                    | Nil                          |
| 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  | Nil                   | Nil            | Nil                          | Nil                          |
|         | b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | Nil                   | Nil            | Nil                          | Nil                          |
|         | c) Other public deposits  | Nil                   | Nil            | Nil                          | Nil                          |
|         | b) Unsecured  | Nil                   | Nil            | Nil                          | Nil                          |
|         | <b>Particulars</b>  |                       |                | <b>As at 31st March 2023</b> | <b>As at 31st March 2022</b> |
|         | <b>Assets side</b>  |                       |                |                              |                              |
|         | <b>Break-up of Loans &amp; Advances including bills receivables (other than those included in (4) below:</b>    |                       |                | <b>Amount outstanding</b>    | <b>Amount outstanding</b>    |
| 3       | a) Secured  |                       |                | 162.36                       | 173.44                       |
|         | b) Unsecured  |                       |                | 32,694.95                    | 14,109.80                    |
|         | <b>Break-up of Leased Assets &amp; Stock on Hire and other assets counting towards</b>                          |                       |                |                              |                              |
|         | a) Lease assets including lease rentals under sundry debtors:   |                       |                |                              |                              |
|         | i) Finance Lease  |                       |                | Nil                          | Nil                          |
|         | ii) Operating Lease   |                       |                | Nil                          | Nil                          |
| 4       | b) Stock on hire including hire charges under sundry debtors:   |                       |                |                              |                              |
|         | i) Assets on hire   |                       |                | Nil                          | Nil                          |
|         | ii) Repossessed Assets  |                       |                | Nil                          | Nil                          |
|         | c) Other loans counting towards AFC activities  |                       |                |                              |                              |
|         | i) Loans where assets have been   |                       |                | Nil                          | Nil                          |
|         | ii) Loans other than (a) above  |                       |                | Nil                          | Nil                          |



| <b>Break-up of Investments</b>                    |   | <b>As at 31st March 2023</b>               | <b>As at 31st March 2022</b>  |  |                               |
|---|---|--|-------------------------------|--|-------------------------------|
| 5   | <b>Current Investment</b>   |  |                               |  |                               |
|   | Quoted  |  |                               |  |                               |
|   | i) Shares : Equity  | Nil  | Nil                           |  |                               |
|   | : Preference  | Nil  | Nil                           |  |                               |
|   | ii) Debentures and bonds  | Nil  | Nil                           |  |                               |
|   | iii) Unit of mutual funds   | Nil  | Nil                           |  |                               |
|   | iv) Government securities   | Nil  | Nil                           |  |                               |
|   | v) others (please specify)  | Nil  | Nil                           |  |                               |
|   | Unquoted  |  |                               |  |                               |
|   | i) Shares : Equity  | Nil  | Nil                           |  |                               |
|   | : Preference  | Nil  | Nil                           |  |                               |
|   | ii) Debentures and bonds  | Nil  | Nil                           |  |                               |
|   | iii) Unit of mutual funds   | Nil  | Nil                           |  |                               |
|   | iv) Government securities   | Nil  | Nil                           |  |                               |
|   | v) others (please specify)  | Nil  | Nil                           |  |                               |
|   | <b>Long Term Investment</b>   |  |                               |  |                               |
|   | Quoted  |  |                               |  |                               |
|   | i) Shares : Equity  | Nil  | Nil                           |  |                               |
|   | : Preference  | Nil  | Nil                           |  |                               |
|   | ii) Debentures and bonds  | Nil  | Nil                           |  |                               |
|   | iii) Unit of mutual funds   | Nil  | Nil                           |  |                               |
|   | iv) Government securities   | Nil  | Nil                           |  |                               |
|   | v) others (please specify)  | Nil  | Nil                           |  |                               |
|   | Unquoted  |  |                               |  |                               |
|   | i) Shares : Equity  | Nil  | Nil                           |  |                               |
|   | : Preference  | Nil  | Nil                           |  |                               |
|   | ii) Debentures and bonds  | Nil  | Nil                           |  |                               |
| iii) Unit of mutual funds                         | Nil   | Nil  |                               |  |                               |
| iv) Government securities                         | Nil   | Nil  |                               |  |                               |
| v) others (please specify)                        | Nil   | Nil  |                               |  |                               |
| 6   | <b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b>   |  |                               |  |                               |
|   | Category  | As at 31st March 2023                      |                               | As at 31st March 2022                      |                               |
|   |   | Secured                                    | Unsecured                     | Secured                                    | Unsecured                     |
|   | 1) Related parties  |  |                               |  |                               |
|   | i) Subsidiaries   | Nil  | Nil                           | Nil  | Nil                           |
|   | ii) Companies in the same group   | Nil  | 0.04                          | Nil  | 0.50                          |
| iii) Other related party                          | Nil   | Nil  | Nil                           | Nil  |                               |
| 2) Other than related parties                     | 162.36  | 32,694.91                                  | 173.44                        | 14,109.31                                  |                               |
| 7   | <b>Investor group-wise classification of all investments (current and long term) in share and securities (both quoted and unquoted)</b> |  |                               |  |                               |
|   | Category  | As at 31st March 2023                      |                               | As at 31st March 2022                      |                               |
|   |   | Market value/ Breakup or fair value or NAV | Book value (Net of provision) | Market value/ Breakup or fair value or NAV | Book value (Net of provision) |
|   | 1) Related parties  |  |                               |  |                               |
|   | i) Subsidiaries   | Nil  | Nil                           | Nil  | Nil                           |
|   | ii) Companies in the same group   | Nil  | Nil                           | Nil  | Nil                           |
|   | iii) Other related party  | Nil  | Nil                           | Nil  | Nil                           |
|   | 2) Other than related parties   | Nil  | Nil                           | Nil  | Nil                           |
|   | 8   | <b>Other Information</b>                   |                               |  |                               |
|   |   | Particulars                                | 31st March 2023               | 31st March 2022                            |                               |
| Gross Non-performing Assets                       |   |  |                               |  |                               |
| i) Related Parties                                |   | Nil  | Nil                           |  |                               |
| ii) Other than related parties                    |   | 1,671.30                                   | 1,078.84                      |  |                               |
| Net Non-performing Assets (net of provision made) |   |  |                               |  |                               |
| i) Related Parties                                |   | Nil  | Nil                           |  |                               |
| ii) Other than related parties                    | Nil   | Nil  |                               |  |                               |
| Assets acquired on satisfaction of Debt           | Nil   | Nil  |                               |  |                               |



**BoB Financial Solution Ltd**  
**Notes to financial statements for the year ended 31st March 2023**  
(Figure in Rupees in millions, unless otherwise stated)

50 Disclosure of Restructured Accounts : Not applicable

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| Assets classification as per RBI norms  | Assets classification as per IND AS | Gross carrying amount as per Ind AS | Loss allowances (provisions) as required under IND AS 109 | Net carrying amount | Provision required as per IRACP norms | Difference between Ind AS 109 provision and IRACP norms |
|---|-------------------------------------|-------------------------------------|---|---------------------|---------------------------------------|---|
| <b>Performing Assets</b>  |                                     |                                     |   |                     |                                       |   |
| Standard  | Stage 1                             | 29,727.09                           | 1,493.84  | 28,233.25           | 126.22                                | 1,367.62  |
|   | Stage 2                             | 1,458.92                            | 521.71  | 937.20              |                                       | 521.71  |
| <b>Subtotal</b>   |                                     | 31,186.00                           | 2,015.55  | 29,170.46           | 126.22                                | 1,889.33  |
| <b>Non-Performing Assets (NPA)</b>  |                                     |                                     |   |                     |                                       |   |
| Loss  | Stage 3                             | 1,671.30                            | 1,454.61  | 216.70              | 985.80                                | 468.81  |
| <b>Sub total of NPA</b>   |                                     | 1,671.30                            | 1,454.61  | 216.70              | 985.80                                | 468.81  |
| <b>Other item such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Assets classification and provisioning norms,</b> |                                     |                                     |   |                     |                                       |   |
| <b>Subtotal</b>   |                                     | 1,572.16                            | 84.65   | -                   | -                                     | 84.65   |
|   | Stage 1                             | 1,572.16                            | -   | -                   | -                                     | -   |
|   | Stage 2                             | -                                   | -   | -                   | -                                     | -   |
|   | Stage 3                             | -                                   | -   | -                   | -                                     | -   |
| <b>Total</b>  |                                     | 31,299.25                           | 1,578.48  | 29,720.77           | 126.22                                | 1,452.26  |
|   | Stage 1                             | 31,299.25                           | 1,578.48  | 29,720.77           | 126.22                                | 1,452.26  |
|   | Stage 2                             | 1,458.92                            | 521.71  | 937.20              | -                                     | 521.71  |
|   | Stage 3                             | 1,671.30                            | 1,454.61  | 216.70              | 985.80                                | 468.81  |



- 52 The disclosures as required under RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016  
Additional disclosure

1 Capital

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| CRAR (%)  | 30.54%         | 17.86%         |
| CRAR - Tier I Capital (%)                             | 25.49%         | 13.03%         |
| CRAR - Tier II Capital (%)                            | 5.06%          | 4.83%          |
| Amount of subordinated debt raised as Tier-II capital | 750.00         | 500.00         |
| Amount raised by issue of Perpetual Debt Instruments  | Nil            | Nil            |

2 Investments

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| 1) Value of Investments                                       |                |                |
| i) Gross Value of Investments                                 |                |                |
| In India  | Nil            | Nil            |
| Outside India   | Nil            | Nil            |
| ii) Provisions for Depreciation                               |                |                |
| In India  | Nil            | Nil            |
| Outside India   | Nil            | Nil            |
| iii) Net Value of Investments                                 |                |                |
| In India  | Nil            | Nil            |
| Outside India   | Nil            | Nil            |
| 2) Movement of provisions held towards depreciation on        |                |                |
| Opening balance   | Nil            | Nil            |
| Add : Provisions made during the year                         | Nil            | Nil            |
| Less : Write-off / write-back of excess provisions during the | Nil            | Nil            |
| Closing balance   | Nil            | Nil            |

3 Derivatives

There is no derivatives transaction during the year.  
Currency options / currency future : Not applicable  
Forward Rate Agreement / Interest Rate Swap :- Not Applicable  
Exchange Traded Interest Rate (IR) Derivatives:- Not Applicable  
Disclosures on Risk Exposure in Derivatives:- Not Applicable

- 4 Disclosures relating to Securitisation:- No such transaction during the year.  
Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:- Not Applicable  
Details of Assignment transactions undertaken by applicable NBFs:- Not Applicable

- 5 Details of non-performing financial assets purchased / sold: No such transaction during the year.

6 Asset Liability Management :-

Maturity pattern of certain items of Assets and Liabilities as at 31st March 2023

|                      | up to 30 /31 days | Over 1 month up to 2 Month | Over 2 month up to 3 Month* | Over 3 month & up to 6 month** | Over 6 month to 1 year** | Over 1 year to 3years** | Over 3 year to 5 years | Over 5 years | Total     |
|----------------------|-------------------|----------------------------|-----------------------------|--------------------------------|--------------------------|-------------------------|------------------------|--------------|-----------|
| Borrowing from banks | 5,599.76          | 6,850.00                   | 4,000.00                    | 3,000.00                       | 400.00                   | 399.03                  | -                      | -            | 20,248.79 |
| Market borrowings    | 0                 | 247.75                     | 0.00                        | 0.00                           | 0.00                     | 0.00                    | 0.00                   | 1249.29      | 1,497.04  |
| Receivables#         | 17,842.45         | 4,907.35                   | 1,770.96                    | 1,975.50                       | 1,449.19                 | 1,129.26                | 227.80                 | -            | 29,302.51 |
| Investments          |                   |                            |                             |                                |                          |                         |                        |              | -         |

\*\* Credit Receivables are based on average collections in last 6 months.

# Receivables include Long term & short term loans and advances related to Credit card & EMI to customer. (net of NPA)

Maturity pattern of certain items of Assets and Liabilities as at 31st March 2022

|                      | up to 30 /31 days | Over 1 month up to 2 Month | Over 2 month up to 3 Month* | Over 3 month & up to 6 month** | Over 6 month to 1 year** | Over 1 year to 3years** | Over 3 year to 5 years | Over 5 years | Total     |
|----------------------|-------------------|----------------------------|-----------------------------|--------------------------------|--------------------------|-------------------------|------------------------|--------------|-----------|
| Borrowing from banks | 190.01            | -                          | 2,500.00                    | 2,500.00                       | 4,100.00                 | 760.04                  | -                      | -            | 10,050.05 |
| Market borrowings    |                   |                            | 495.82                      |                                |                          |                         |                        | 499.20       | 995.02    |
| Receivables#         | 7,109.87          | 2,417.75                   | 951.98                      | 993.32                         | 540.00                   | 273.23                  | 168.35                 |              | 12,454.50 |
| investments          |                   |                            |                             |                                |                          |                         |                        |              | -         |

\* Receivables in period 2-3 months also includes receivables for period 0-30 days & 1-2 months which are being collected as such, however the same will become due after 2 months as we have given moratorium to our customer as per recent guidelines issued by RBI.

\*\* Credit Receivables are based on average collections in last 6 months.

# Receivables include Long term & short term loans and advances related to Credit card, personal loan & EMI to customer. (net of NPA and advance received from credit card holder)



7 **i) Exposures To Real Estate Sector**

| Direct Exposure  |                         | March 31, 2023 | March 31, 2022 |
|--|-------------------------|----------------|----------------|
| <b>Residential Mortgages -</b>   |                         |                |                |
| Lending fully secured by mortgages on residential property that is or will be occupied                     |                         | Nil            | Nil            |
| <b>Commercial Real Estates -</b>   |                         |                |                |
| Lending secured by mortgage on commercial real estates (office buildings, retail)                          |                         | Nil            | Nil            |
| Investments in Mortgage Backed Securities (MBS) and other secured exposures -                              |                         |                |                |
| a.   | Residential             | Nil            | Nil            |
| b.   | Commercial Real Estates | Nil            | Nil            |
| Indirect exposure  |                         |                |                |
| Fund based and non – fund based exposures on National Housing Bank (NHB) and housing bank Companies (HFCs) |                         | Nil            | Nil            |

**ii) Exposure to Capital Market**

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| direct investment in equity shares, convertible bonds, convertible debentures and units | Nil            | Nil            |
| advances against shares / bonds / debentures or other securities or on clean basis to   | Nil            | Nil            |
| advances for any other purposes where shares or convertible bonds or convertible        | Nil            | Nil            |
| advances for any other purposes to the extent secured by the collateral security of     | Nil            | Nil            |
| secured and unsecured advances to stockbrokers and guarantees issued on behalf of       | Nil            | Nil            |
| loans sanctioned to corporates against the security of shares / bonds / debentures or   | Nil            | Nil            |
| bridge loans to companies against expected equity flows / issues;                       | Nil            | Nil            |
| all exposures to Venture Capital Funds (both registered and unregistered)               | Nil            | Nil            |
| Total Exposure to Capital Market  | Nil            | Nil            |

8 Details of financing of parent company products

The company has not financed any of the product of its parent company during the financial year 2022-23.

9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The company has not exceeded the prudential exposure limits during the financial year 2022-23.

10 Company has not sanctioned any loan against the intangible security during the financial year 2022-23.

11 (i) The company has obtained registration from following regulator apart from RBI

| Particulars  | Registration number.  |
|--|-----------------------|
| Certificate of incorporation under Companies Act 1956. | U65990MH1994GOI081616 |
| NBFC registration                                      | 13.01305              |

(ii) During the financial year 2022-23, BFSL have paid Rs. 48,000/- as penalty to RBI & Nil penalty to SEBI.

(iii) Related Party Transaction:-

For related party transaction please refer note no. 37

(iv) Remuneration to Directors

For remuneration to Directors please refer note no. 37.

(v) Net profit or loss for the period, prior period items and changes in accounting policies.

Please refer note no 39.

(vi) The short term debt rating of the company is A1+ by CRISIL Ratings Ltd and India Rating & Research Pvt. Ltd. The long term debt rating is AAA/stable by India Rating & Research Pvt. Ltd, CRISIL Ratings Ltd and ICRA Ltd. There is no change in the rating during FY 2022-23.

(vii) Revenue Recognition:-

For Revenue Recognition please refer note no. 1(f).



12 i) Provisions and Contingencies

| Break up of Provisions                           | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Provisions for depreciation on Investment        | Nil            | Nil            |
| Provision towards stage 3 assets                 | 1,454.61       | 910.54         |
| Provision for stage 1 and stage 2 assets         | 2,100.19       | 918.20         |
| Provision made towards Income tax                | 833.48         | 679.82         |
| Other Provision and Contingencies (with details) | -              | -              |
| Provision for reward points                      | 233.20         | 145.04         |
| Provision for Gratuity                           | -              | -              |
| Provision for fraud                              | 5.07           | 4.36           |
| Provision for Leave encashment                   | 8.64           | 7.49           |
| Provision for Staff Incentive                    | 51.71          | 24.75          |
| Provision for Expenses                           | 1,287.66       | 485.61         |
| Provision for CSR Expenses                       | -              | -              |

Note: No provision has been made for contingencies. Refer note no 34.

iii) a) Concentration of Advances

| Particulars  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Total advance of largest twenty borrowers*                 | 59.20          | 32.27          |
| percentage of Advance to largest twenty borrowers to total | 0.18%          | 0.23%          |

\*The Advances denotes the outstanding balances of standard twenty borrower.

iii) b) Concentration of Exposure

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Total Exposure to largest twenty borrowers *                | 61.73          | 77.80          |
| percentage of exposure to twenty largest borrowers to total | 0.19%          | 0.54%          |

\*The exposures denotes the total credit card limit against the top twenty borrower.

iii) c) Concentration of NPAs

| Particulars                              | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Total Exposure to top four NPA accounts* | 5.35           | 7.32           |

\* The exposure to NPA is only principal outstanding. The income is fully de-recognised and limit is already blocked from these customer.

iii) d) Sector-wise NPAs

| Particulars                       | % of NPAs to Total | March 31, 2023 | March 31, 2022 |
|-----------------------------------|--------------------|----------------|----------------|
| Agriculture & allied activities   | Nil                | Nil            | Nil            |
| MSME                              | Nil                | Nil            | Nil            |
| Corporate borrowers credit cards  | Nil                | Nil            | Nil            |
| Services                          | Nil                | Nil            | Nil            |
| Unsecured personal loans          | Nil                | Nil            | Nil            |
| Auto loans                        | Nil                | Nil            | Nil            |
| Other personal loans credit cards | 5.09%              | 1,671.30       | 1,078.84       |

iv) Movement of NPAs

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| i) Net NPAs to Net Advances (%)   | Nil            | Nil            |
| ii) Movement of NPAs (Gross)  |                |                |
| Opening balance   | 1,078.84       | 653.53         |
| Add:- Additions during the year   | 2,111.71       | 1,597.91       |
| Less:-Written off as Bad Debts  | 797.15         | 531.00         |
| Less:- Reductions during the year   | 722.10         | 641.60         |
| Closing balance   | 1,671.30       | 1,078.84       |
| iii) Movement of Net NPAs   |                |                |
| Opening balance   | 168.31         | -              |
| Add:- Additions during the year   | 446.05         | 168.31         |
| Less:-Reductions during the year  | 122.38         | -              |
| Closing balance   | 491.98         | 168.31         |
| iv) Movement of provisions for NPAs (excluding provisions on standard assets) |                |                |
| Opening balance   | 910.57         | 653.53         |
| Add:-Provisions made during the year  | 1,401.44       | 664.82         |
| Less:-Written off as Bad Debts  | 670.78         | 366.32         |
| Less:-write-back of excess provisions   | 186.63         | 41.46          |
| Closing balance   | 1,454.60       | 910.57         |



- 13 The company does not have any joint venture or overseas subsidiaries.
- 14 Off-balance Sheet SPVs sponsored:-  
There is no off-balance sheet SPVs sponsored by the Company during the year ended 31st March 2023.
- 15 Disclosure of customer Complaints

i.) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | Particulars   | March 31, 2023 | March 31, 2022 |
|--------|---|----------------|----------------|
|        | Complaints received by the NBFC from its customers  |                |                |
| 1      | Number of complaints pending at beginning of the year   | 779            | 294            |
| 2      | Number of complaints received during the year   | 1,29,975       | 1,05,748       |
| 3      | Number of complaints disposed during the year   | 1,30,652       | 1,05,263       |
| 3.1    | Of which, number of complaints rejected by the NBFC   |                |                |
| 4      | Number of complaints pending at the end of the year   | 102            | 779            |
|        | Maintainable complaints received by the NBFC from Office of Ombudsman                                       |                |                |
| 5*     | Number of maintainable complaints received by the NBFC from Office of Ombudsman                             | 916            | 418            |
| 5.1    | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman                            | 905            | 416            |
| 5.2    | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 5              | 2              |
| 5.3    | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC         | 11             | 2              |
| 6*     | Number of Awards unimplemented within the stipulated time (other than those appealed)                       | -              | -              |

\* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

ii.) Top five grounds<sup>2</sup> 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   |   |   |  |   |   |
| Credit Card  | 779   | 1,29,975                                      | 23%  | 102   | -   |
| Total  | 779   | 1,29,975                                      | 23%  | 102   | -   |
| Previous Year  |   |   |  |   |   |
| Credit Card  | 294   | 1,05,748                                      | 72%  | 779   |   |
| Total  | 294   | 1,05,748                                      | 72%  | 779   | -   |

16 Public disclosure on liquidity risk as at 31st March 2023

i) funding Concentration based on significant counterparty (Both Deposits and Borrowings)

| Name of significant counterparty                           | Amount    | % of Total Deposit | % of Total Liability |
|--|-----------|--------------------|----------------------|
| 5 (five) refer point 3 below for name of the counterparty. | 20,248.80 | N.A.               | 81.62%               |

Note: Total liability does not include equity share capital and other equity.

ii) Top 20 large deposits :- Not Applicable



**BoB Financial Solution Ltd****Notes to financial statements for the year ended 31st March 2023**

(Figure in Rupees in millions, unless otherwise stated)

## iii) Top 10 borrowings

| Name of the bank   | Amount           | % to total borrowing |
|--|------------------|----------------------|
| Bank of Baroda   | 10,998.80        | 50.58%               |
| HDFC Bank  | 5,000.00         | 22.99%               |
| ICICI Bank   | 1,500.00         | 6.90%                |
| IDBI Bank  | 1,500.00         | 6.90%                |
| Hongkong & shanghai Banking Corporation                  | 1,250.00         | 5.75%                |
| Mirae Asset Mutual Fund                                  | 247.70           | 1.14%                |
| Rajasthan Rajya Vidyut Karamchari Contributory Provident | 250.00           | 1.15%                |
| Alpha Alternatives Msar Llp                              | 200.00           | 0.92%                |
| Bank Of Baroda Provident Fund Trust                      | 150.00           | 0.69%                |
| SPMCIL Employees Provident Fund Trust                    | 130.00           | 0.60%                |
| <b>Total</b>   | <b>21,226.50</b> | <b>97.61%</b>        |

## iv) funding Concentration based on significant counterparty

| Name of Instrument / product | Amount    | % of Total Liability |
|------------------------------|-----------|----------------------|
| Bank lines                   | 20,248.79 | 81.62%               |
| Commercial paper             | 247.75    | 1.00%                |
| NCD                          | 1,249.29  | 5.04%                |

## (v) Stock Ratios:

| Sr, no | Name of the instrument / product | % of total public fund | % of total Assets | % of total Liabilities |
|--------|----------------------------------|------------------------|-------------------|------------------------|
| 1      | Commercial paper                 | N.A.                   | 0.72%             | 1.00%                  |
| 2      | Non- Convertible Debentures      | N.A.                   | N.A.              | N.A.                   |
| 3      | Other Short term liabilities     | N.A.                   | 58.47%            | 81.62%                 |

Note: Total liability does not include equity share capital and other equity.

(vi) Institutional set-up for liquidity risk management:- Liquidity represent the ability of the company to generate sufficient cash flow to meet financial obligation, both under normal and stressed conditions, without liquidating assets or raising funds at unfavourable terms. the operations of the company give rise to Assets Liability mismatches and liquidity risks.

In order to manage these risks the Company has a Board approved Assets Liability Management policy in place prepared on the basis of RBI guidelines and internal factors specific to our business. The policy is reviewed on annual basis.

53 The Company does not own any Investment Property.

54 Corporate social responsibility (CSR) is not applicable to the Company and hence the disclosure for the same is not required.

55 The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

56 The Company has not traded or invested in Crypto currency or Virtual Currency during the year financial year 22-23.

As per our report of even date

For S G C O &amp; Co. LLP

Chartered Accountants

[Firm Registration No. 112081W/W100184]

Suresh Murarka  
Partner  
(Membership No. 044739)



Place: Mumbai  
Date: 3rd May 2023

For and on behalf of the Board of Directors  
BOB Financial Solutions Limited

Sanjiv Chadha  
Chairman  
(DIN:08368448)

Pooja Karnani  
Chief Financial Officer  
(PAN:AHEPB7049P)

Place: Mumbai  
Date: 3rd May 2023

Shailendra Singh  
Managing Director & CEO  
(DIN: 08623335)

Deepashri Cornelius  
Company Secretary  
(PAN:BVLPS3134E)

