



**BOB Financial**  
— Credit reimagined —

22<sup>nd</sup> August 2022

To,  
The Listing Compliance Team  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Fort Mumbai  
Maharashtra 400001

**Subject: Submission of Annual Report FY 2021-22**

Dear Sir / Madam,

Pursuant to Reg 53(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of our annual report of FY 2021-22.

Request you to take the above information on record.

Yours sincerely,  
**For BOB Financial Solutions Limited**

**Deepashri Cornelius**  
**Company Secretary**  
**Mem No.FCS11194**

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Shareholders of BOB Financial Solutions Limited will be held on Wednesday, 28<sup>th</sup> September 2022 at 11.00 AM at Ground Floor, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, to transact the following business.

### ORDINARY BUSINESS

1. To receive, adopt and consider the Annual Financial Statements for the financial year ended 31<sup>st</sup> March 2022 and Report of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India thereon.
2. To appoint a Director in place of Mr. Purshotam (DIN 08504005), who is retiring by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:-

*"RESOLVED THAT pursuant to Section 142 r/w 139(5) of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to fix the remuneration of such Auditors of the Company, as may be appointed/re-appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2022-2023."*

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

*"RESOLVED THAT pursuant to the recommendation of the Board of Directors and the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the companies Act, 2013, Shri Sanjay Kao (DIN 09447175), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17<sup>th</sup> January, 2022 and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold the office for a period of 3 Years i.e. up to (Date) 2025, not be liable to retire by rotation."*



BY ORDER OF THE BOARD  
For BOB Financial Solutions Limited



Place: Mumbai

Date: 25 JUL 2022

  
[Sanjiv Chadha]  
Chairperson  
(DIN: 08388448)

Registered Office :

2<sup>nd</sup> Floor 'Baroda House'  
Behind Dewan Shopping Centre  
S.V. Road Jogeshwari (W)  
Mumbai - 400 102

## NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE IN THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy form, in order to be effective, must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the aforesaid meeting.

Members are requested to intimate to the Company, changes, if any, in their registered addresses, nomination, power of attorney etc. at an early date, in case of shares held in physical form.

Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.



BOB Financial Solutions Limited

Board Report  
2021-22

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting their 28<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022.

**CORPORATE OVERVIEW:**

The Company is a Systemically Important Non Deposit taking Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. Its core business is Credit Card issuance. It also provides support to Bank of Baroda by carrying out its Merchant Acquiring Operations.

During FY 21-22, the Company continued its resilient performance amidst the challenges posed by the pandemic. The Company focused on increasing its credit cards customer base by offering digital solutions. The Company continued its business operations from 100+ locations.

The Company successfully implemented FirstVision Card Management System (CMS) and integrated digital DIY (Do It Yourself) origination journey with Bank of Baroda's TABIT journey were the most significant technology achievements during FY 21-22.

Product launches and innovations were one of the key highlights of FY 21-22, right from the issuance of RuPay credit cards to the global first launch of ConQR – the two-in-one product combining credit card and QR acceptance that was done in partnership with Mastercard (as it owns the patent).

The Company continued to implement the two-pronged growth strategy (of BoB customers on one side and key partnerships on the other) by entering into co-brand partnerships with both large and trusted organizations as well as new age Fintechs. These included partnerships with Fintechs like FPL Technologies (for OneCard) and CreditAI (for Unnati – the credit card for farmers), thereby positioning BOB Financial as an issuer that is receptive to new age partners.

The Company also launched Co-branded credit cards with IRCTC and the Indian Navy. The Indian Navy co-brand helped the Company to expand its portfolio of co-branded credit cards with the Defence Forces, as Memoranda of Understanding were signed with the Indian Army, Assam Rifles and Indian Coast Guard for launch of co-branded credit cards.

The Company also completed SI Hub integration in order to comply with RBI's guidelines for e-Mandates. During the year, the BCP site of the Company was made operational in Gurugram.

The commercial papers issued by the Company received rating of CRISIL A1+ from CRISIL and IND A1+ from India Ratings.

**FINANCIAL HIGHLIGHTS FOR F.Y.2021-22:**

Following was the Financial Performance of the Company for the year ended 31<sup>st</sup> March 2022:

Particulars	(Amount in Rs. Cr.)	
	2021-22	2020-21
Total Revenue	499.65	366.27
Total Expenses (including exceptional and prior period items)	505.61	388.80
Profit / (loss) before Tax	(5.96)	(22.53)
Tax expenses	(4.47)	(12.93)
Profit / (loss) after Tax	(10.43)	(9.6)
CRAR	17.86%	19.61%
EPS (Rs.)	(0.41)	(0.55)

**FINANCIAL PERFORMANCE [FY 2021-22]:**

- Total revenue for the F.Y. 2021-22 increased by 36.42% to around Rs.500 Cr as against Rs.366 Cr in the preceding F.Y. 2020-21 primarily driven by Increase in Credit Card Business on account of increase in Interest income and Fee income partially offset by increase in direct expenses.
- Total expenses at Rs.505.61 Cr increased by 30% as compared to Rs. 388.80 Cr in the preceding F.Y. 2020-21. mainly due to increase in operating expenses and finance cost

**Capital Adequacy and Liquidity**

As per the capital adequacy norms issued by the RBI, Company's capital to risk ratio consisting of tier I and tier II capital should not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. As of March 31, 2022, Company's CRAR was 17.86% compared to 19.61 % as of March 31, 2021.

The Tier I capital in respect of an NBFC-ND-SI, at any point of time, is required to be not less than 10%. Company's Tier I capital was 13.03% as of March 31, 2022 compared to 12.8% as of March 31, 2021.

**SHARE CAPITAL:**

During F.Y. 2021-22, the Company has increased its paid-up share capital from Rs.175 crores to Rs.275 crores by issuance of further equity shares of Rs.100 crores. There was no change in the Company's authorized capital during the year.



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### RESERVES:

Due to loss incurred during the year, the Company has not transferred any sum to Statutory Reserve in compliance with the Section 45-IC of the Reserve Bank of India Act, 1934 for F.Y. 2021-22.

### DIVIDEND:

With a view to conserve internal resources and meet the growth & transformation initiatives, the Board does not propose to recommend any dividend during the year under review.

### DEPOSIT:

The Company has neither invited nor accepted any deposits from the public during the F.Y.2021-22 and has no plans in near future. Prior approval of Reserve Bank of India will be obtained for acceptance of deposits, if any, in future.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During F.Y.2021-22, the Company has not given any loans or guarantees to any other body corporate.

### CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during F.Y. 2021-22.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

No adverse material changes have occurred or commitments made after 31<sup>st</sup> March, 2022 which may affect the financial position of the Company or require disclosure.

### DETAILS OF APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

### MAJOR INITIATIVES TAKEN:

#### **Key Business Highlights**

FY 21-22 was a watershed year for the Company. The aspiration to grow into a leading Indian credit card issuer was evident in the many firsts, achievements and investments that underlined the FY, in spite of the challenges brought about by the pandemic that continued in varying degrees.

Product launches and innovations were one of the key highlights of FY 21-22, right from the issuance of RuPay credit cards to the global first launch of ConQR – the two-in-one product combining credit card and QR acceptance that was done in partnership with Mastercard (as it owns the patent).



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The Company continued to implement its two-pronged growth strategy (of BoB customers on one side and key partnerships on the other) by entering into co-brand partnerships with both large and trusted organizations as well as new age Fintechs. These included partnerships with Fintechs like FPL Technologies (for OneCard) and CreditAI (for Unnati – the credit card for farmers), thereby positioning BOB Financial as an issuer that is receptive to new age partners.

Co-branded credit cards were also launched with IRCTC and the Indian Navy. The Indian Navy co-brand helped BOB Financial to expand the portfolio of co-branded credit cards with the Defence Forces, as Memoranda of Understanding were signed with the Indian Army, Assam Rifles and Indian Coast Guard for launch of co-branded credit cards.

- The Company issued more than 500,000 new credit cards in FY 21-22, doubling the new acquisition done in FY 20-21. It also joined the elite club of issuers with a base of 1 Million or more credit cards, thus positioning it as a force to reckon with, in the Indian credit cards industry. In March 2022 itself, more than 130,000 new credit cards were issued, making BOB Financial one of the Top 5 issuers (estimated) for the month.
- Retail spends more than doubled compared to FY 20-21, clocking approximately Rs. 7,000 cr. This growth was made possible by relevant customer offers across merchant categories, in partnership with leading offline and online merchants. At any given time, more than 100 customer offers were live across regular and EMI spends. The growth in retail spends was also a result of multiple initiatives towards improving customer experience, in addition to launch of relevant products and offers. Initiatives like self-service through website, IVR and SMS or programs like Add-On cards for family, referral programs, topical campaigns on social media etc. all helped in increasing customer engagement, leading to more than doubling the retail spends.
- The focus on enhancing technology infrastructure continued in FY 21-22. The implementation of FirstVision – the leading Card Management System and the launch of 100% digital Credit Card journey on TABIT – Bank of Baroda's digital origination platform were the flagship achievements. Several other initiatives across the customer lifecycle, from origination to usage to retention, were undertaken in line with the strategic intent of being a top ranking, customer-centric credit card issuer.

The Company also continued to invest both in human resources as well as points of presence, to effectively align with the 18 Zones and 148 Regions of Bank of Baroda. This focus on leveraging the Bank's distribution strength while building its own is in line with the Company's growth aspirations.

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### Technology

The Company made significant progress in its technology initiatives to strengthen its technology and data security capabilities and emerge as a leading digital player among the various credit card issuers. Some of the key enablers accomplished during the year are enumerated below:

- Migration to Vision Plus to scale the Company's business volumes manifold by designing various customer value propositions and introduce new revenue streams and provide multiple self-service options to customers;
- Introduction of Fusion (API Layer) to help introduce new channels of customer onboarding, loyalty and seamless multiple integrations;
- Data Lake integrated with BI to help identify right customer and their segment for upsale and deliver enhanced business intelligence by streamlining the flow of information;
- Launched new products with rich and exclusive features to help tap affluent segments;
- Launched digital onboarding channels - Customer Do-It-Yourself and RM Assisted (TABIT) for better lead management, workflow management, automated decision making and exception management
- Setup new embossing partners on Vision Plus and bureau data scrubbing
- Completed security tool implementation - Managed Detection and Response (MDR), Endpoint Detection and Response (EDR), email security and introduction of Data Loss Prevention Tool.

### NPA & Risk Management

The Company has built an advanced risk management infrastructure that is robust and fortified by our data analytics and digital capabilities. The Company evaluates multiple attributes for every credit decision including application variables, credit bureau and demographic variables as well as underlying verifications. The Company also possesses a large database of (existing and historical) demographic and socio-economic cardholder data, derived from numerous transactions. The database facilitates in-depth analysis of card user propensities and future performance modelling. This, along with data from credit bureau and other sources, is analysed to generate underwriting scorecards, proactively mitigating risks and reducing losses and delinquencies.

The Company has also developed models to accurately estimate risk for new-to-credit and new-to-card customers who do have a credit history and account for a large section of the population. They are expected to be key growth drivers for India's credit card market. Using modelling we have segmented Expected Credit Loss (ECL) models, which are Ind-AS compliant and take into consideration economic indicators in portfolio stress-testing models basis our learnings from the COVID induced stress. We undertake an in-depth approach to credit analytics in our periodic credit monitoring processes. This involves analysing behavioural and several other related



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variables to manage cardholder accounts. The variables are reviewed periodically to minimise any variance in the information underpinning those attributes.

The Company also has a strong collection mechanism, supported by technology infrastructure. It has further added significant collections capabilities in the field of skip tracing, credit bureau integration and legal litigation for account resolution. The Company also leverages its technology to send billing statements by e-mail and also send text messages of statement generation, amounts due and due date for better reach. Our collections personnel initiate contact with cardholders if the payment due date is missed. Collection scorecards tailored to cardholder behaviour are maintained to estimate their propensity to pay. FY 21- 22 was a watershed year for BFSL in the field of NPA recovery, with recoveries exceeding INR 51 cr. This metric has safely assured that the toxic effect of the COVID induced stress on the asset quality is well and truly behind us, and the foundation for a good quality portfolio can be built at scale.

### Customer Service:

Service delivery excellence is core to relationship with the customers and continues to be a focus area for the Company. With clear intent to emerge as a customer friendly organization, revisiting and revising internal Policies and Processes to make them more efficient, also adopting trending technology solutions to revolutionize our Customer Experience standards.

Our Vision is to create bespoke customer experience across touchpoints through smart adoption of technology while ensuring the human element of service is not compromised.

With an aim to transform the customer journey through onboarding, Lifecycle management right upto closure, the Company adopted Talisma as its Customer Relationship Management (CRM) tool. We embraced the multipronged approach of:

- Customer Engagement through proper tracking and managing customer journey in delivering superior experience
- Customer Experience upliftment through processes and innovation on doing better every time
- Service Agent empowerment through better decisioning by way of providing real time information at the click of a button
- Measurable service parameters to ensure accountability and focus on continuous improvements on both qualitative and quantitative aspects

### **Initiatives Undertaken: -**

- Restructuring of the grievance redressal mechanism and quick resolutions to enhance level of customer satisfaction.
- The Company adopted new CRM solution for the Contact Center and Email Interaction with customers for one-view, timely response and resolutions.
- Further strengthened Call Centre through extended setup at BCP location



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- Realtime payment postings through select payment channels (i.e. Instapay / BBPS) resulting in instant release of Open to Buy limits on card.
- Enhancement in Self-Serve Opportunities for customers thru introduction of Instant SMS feature / Intelligent IVR at Contact Centre / Web Portal
- Tie-up arrangement across Merchants to offer Instant EMI to cardholders.
- Introduction of E-Mandate, a paperless process for registering Direct Debit Instructions from Bank of Baroda and Other Banks Accounts
- Integration with Bank's mobile app "BoB world" for BoB credit card payment

The Company is also in the process of extending Service Delivery Channels with introduction of Mobile App / WhatsApp / Chatbot services to match the Industry standards and offer best servicing solutions.

**Marketing:**

When it comes to marketing strategy, the Company followed a thumb rule of EVOLUTION i.e. always getting inspired by our environment, continuously honing our capabilities, and shaping our present for the future in vision. To enhance our growth potential in the FY 21-22, the Company focussed on adopting digital ways of promoting business. The Company wanted to enjoy brand salience and hence marketing strategy for the FY 2021-22 was again focussed on pushing brand awareness, enhanced engagement, and incremental conversion.

- The Company opened the year with the vision to launch another communication platform going by the statistics that say on average any company needs to have 7-8 touch points to get noticed by its potential customers, and that's how the Company launched Twitter in the first quarter of the year.
- The Company delivered marketing campaigns across owned, earned & paid media consisting Social Media Marketing, Email Marketing, Affiliate Marketing, SMS Marketing, Mobile & Website Marketing.
- With a commitment to make our customer relationship palette more colorful, and full of happiness, the Company launched the brand campaign '*Chhoti Khushiyan Badhti Rahein*' and started a conversation in a world that was full of disbelief, fear, uncertainty at that time. The Company brought forward and reiterated the importance of little joys in life that brings the widest smiles. And the Company did it with a bouquet full of offers on our cards to help our customers plan their festivities, starting from Ganesha Chaturthi in August to Diwali Festive Shopping Rewards, and then to ring in New Year with more cheers followed till Holi in March. Festivals were planned with elan for our customers, so the everyday shopping rewards with saving delights on every transaction.
- All throughout, the Company kept data in front of our eyes, and strategically blended it for our demand generation efforts; to keep the marketing funnel of Awareness >> Consideration >> Conversion consistently agile, and have all the way from the anonymous social fan or website visitor to a delighted customer throughout the customer's lifetime. The Company did brand campaigns for each of the funnels and kept striving for new customers while continuously thriving association with our existing family.



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- The Company gained new fans for each of our social platforms, increased impressions for our brand communications, and excelled at creating customer engagements.
- While doing all of this, the Company also launched new products including IRCTC, Unnati, Varunah, HPCL with compelling product propositions to attract the right customers while foraying into new markets.



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LIKE, SHARE, COMMENT, and most importantly, please FOLLOW our company pages for new updates and exciting marketing initiatives.

28<sup>th</sup> ANNUAL REPORTDIRECTORS /KEY MANAGERIAL PERSONNEL (KMPs):

At the last Annual General Meeting of the Company, held on 29<sup>th</sup> September, 2021, the members had approved the appointment of Ms. Archana Pandey (DIN 08089545) who was retiring by rotation and offered herself for reappointment.

Following changes in the office of Directorship of the Company have taken place during FY 2021-22:

- Shri Atul Malik (DIN 07872539) resigned as Director of the Company w.e.f from 31<sup>st</sup> October, 2021. The Board noted and confirmed the cessation of Shri Atul Malik from the post of Director of the Company. w.e.f closing hours of 30<sup>th</sup> October, 2021 (effective 31.10.2021) in its meeting held on 30<sup>th</sup> October, 2021. The Board recorded its appreciation for the valuable services rendered by Shri Atul Malik during his tenure as an Independent Director of the Company and expressed its gratitude for the same.
- Ms. Archana Pandey (DIN 08089545) resigned as Director of the Company w.e.f from 31<sup>st</sup> October, 2021. The Board noted and confirmed the cessation of Ms. Archana Pandey from the post of Director of the Company. w.e.f closing hours of 30<sup>th</sup> October, 2021 (effective 31.10.2021) in its meeting held on 30<sup>th</sup> October, 2021. The Board recorded its appreciation for the valuable services rendered by Ms. Archana Pandey during her tenure as a Non-executive Director of the Company and expressed its gratitude for the same.
- Ms. Kadgatoor Venkateshmurthy Sheetal (DIN 09409028) had been appointed as Nominee Director (Non Executive) of the Company w.e.f 1<sup>st</sup> December, 2021 by the Board of Directors vide circular resolution dated 24<sup>th</sup> November 2021.
- Shri Sanjay Kao (DIN 09447175), was appointed as an Additional Director and subsequently appointed as Independent Director with effect from 17<sup>th</sup> January, 2022 by the Board of Directors in their meeting dated 29<sup>th</sup> December, 2021.

On the basis of declarations given by the independent directors to the Company that they meet the criteria of "Independence" as per the provisions of Section 149(6) of the Companies Act, 2013, the Board is of the opinion that the independent directors possess integrity, expertise and experience (including proficiency).

KEY MANGERIAL PERSONNEL (KMPs):

In terms of Sec 203 of the Companies Act 2013, the details of KMPs as on 31/03/2022 are as under:-

Name	Designation
Shri Shailendra H. Singh	Managing Director & CEO
Ms. Pooja Karnani	Chief Financial Officer
Ms. Deepashri Cornelius	Company Secretary



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The Company maintained its commitment to achieve high standard of corporate governance. The Company is in compliance with all applicable norms as are in force from time to time.

BOARD OF DIRECTORS:a. Board Meetings

The Board met at least once in every quarter. Notices of the meetings were sent well in advance along with a detailed agenda and supporting documents. Five Board Meetings were held during F.Y. 2021-22.

Sr. No.	Quarter	Date of Meeting
1	April – June	April 7, 2021 & May 11, 2021
2	July – September	August 10, 2021
3	October – December	October 30, 2021
4	January – March	February 10, 2022

b. Directors attendance record

Attendance record of the Directors for the Board Meetings held during F.Y.2021-22 is as follows:

Directors	No. of Board Meetings held/attended during his/her tenure	Last AGM Attendance (28/09/2021)
Shri Sanjiv Chadha	5/5	Absent
Shri Vikramaditya Singh Khichi	5/5	Absent
Shri Purshotam	5/5	Present
Shri Atul Malik	4/4	Absent
Prof. Sharad Sarin	5/5	Absent
Ms Archana Pandey	4/4	Absent
Shri Sanjay Kao	1/1	Not applicable
Ms Kadagatoor Venkateshmurthy Sheetal	1/1	Not applicable
Shri Shailendra Singh	5/5	Present

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The Composition and other required details of the Board of Directors as on 31<sup>st</sup> March, 2022 are given below:

Names	Category	Designation	With Effect From
Shri Sanjiv Chadha	Nominee Director (Non Executive Director)	Chairperson	01.05.2020
Shri Vikramaditya Singh Khichi	Nominee Director (Non Executive Director)	Director	14.03.2019
Shri Sanjay Kao	Independent Non-Executive Director	Director	17.01.2022
Prof. Sharad Sarin	Independent Non-Executive Director	Director	19.09.2017
Ms. Kadagatoor Venkateshmurthy Sheetal	Non-Executive Director	Director	01.12.2021
Shri Purshotam	Non-Executive Director	Director	11.11.2020
Shri Shailendra Singh	Executive Director	Managing Director & CEO	06.06.2020

**COMMITTEES OF THE BOARD**

Currently, there are 3 Board Committees – the Audit & Risk Management Committee, the Human Resources and Nomination & Remuneration Committee and the Corporate Social Responsibility (CSR) Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened and conducted in accordance with applicable secretarial standards. Matters requiring the Board's attention/approval, as emanating from the Board Committee Meetings, are apprised to the Board and placed for approval before the Board as required.. The role and composition of these Committees, including the number of meetings held during the F.Y. and the related attendance, are provided below.

**A. Audit and Risk Management Committee:**

The Audit & Risk Management Committee of the Board is interalia responsible for (including terms in consonance with Section 177 of the Companies Act, 2013):

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statements and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;



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8. Monitoring the end use of funds raised through public offers and related matters.
9. Evaluation of potential external/internal threats/risks (existing or likely) to the Company.
10. Review and Monitor the implementation of various risk measures
11. Review of the functions of Risk Management Department.
12. Take decisions on matters as may be referred to it from time to time by the Board.

The existing constitution of Audit & Risk Management Committee is as under:-

Sr. No.	Name	Designation
1.	Shri Sanjay Kao	Chairperson
2.	Prof. Sharad Sarin	Member
3.	Shri Purshotam	Member

4 meetings of the said Committee were held during F.Y.2021-22. Audit & Risk Management Committee meetings are usually attended by the Managing Director, Company Secretary, Chief Financial Officer, Chief Risk Officer, Internal Auditors and representatives of the Statutory Auditors. Senior Executives of the Company are invited to participate in deliberations as appropriate.

The recommendations made by the Audit and Risk Management Committee of the Board during F.Y.2021-22 were mostly accepted by the Board. The details of meetings attended by the members of the said Committee during the F.Y. 2021-22 are given below:

Directors	Designation	No. of Meeting held during his tenure	No. of Meetings attended
Shri Sanjay Kao <sup>#</sup>	Chairperson	1	1
Prof. Sharad Sarin	Member	4	3
Shri Atul Malik <sup>*</sup>	Member	4	4
Shri Purshotam	Member	1	1

*\* Shri Atul Malik ceased to be a Director of the Company w.e.f 31/10/2021 and consequently as a member of the ARMC*

*#Shri Sanjay Kao was appointed as an Additional Director of the Company a member of the ARMC w.e.f 17/01/2022*

### **B. Human Resources and Nomination & Remuneration Committee (HR & NRC):**

The HR & NR Committee is, inter alia, responsible:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with this set criteria.
2. To recommend Board appointment and removal of such persons.

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3. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out and review its implementation and compliance.
4. To formulate criteria for qualifications, positive attributes and independence of Directors.
5. To recommend to the Board policy relating to remuneration for Directors, KMP and other employees.
6. To review and provide recommendations on, including but not limited to, Designations, Organisation & Grade Structure, Compensation Benchmarking with Annual Increment & Variables, Performance Management System, LTI/ ESOP.
7. To review, monitor and make recommendations to the Board on human resource strategies/policies that pertain to staffing, compensation, benefits, and related issues of strategic importance.
8. To review and provide recommendations to the Board concerning the approval or amendments to the Human Resource policy.
9. To report its actions and recommendations, if any to the Board after each Committee meeting.

The existing constitution of HR & NRC is as under:-

Sr. No.	Name	Designation
1.	Prof. Sharad Sarin	Chairperson
2.	Shri Atul Malik*	Member
3.	Ms. Archana Pandey*	Member
4.	Shri Sanjay Kao#	Member
5.	Ms K.V. Sheetal#	Member

\* Shri Atul Malik & Ms Archana Pandey ceased to be a Director of the Company w.e.f 31/10/2021 and consequently as a member of the HR&NRC

# Shri Sanjay Kao and Ms. K.V. Sheetal were appointed as members of the HRNRC w.e.f 17/01/2022

5 HR & NRC Meetings was held during F.Y.2021-22. The details of the meetings attended by the members during F.Y. 2021-22 are given below:

Directors	Designation	No. of Meeting held during his/her tenure	No. of Meetings attended
Prof.Sharad Sarin	Chairperson	5	5
Shri Atul Malik	Member	4	4
Ms. Archana Pandey	Member	4	4
Shri Sanjay Kao	Member	1	1
Ms K.V. Sheetal	Member	1	1

The recommendations made by the Human Resources & Nomination and Remuneration Committee of the Board during F.Y.2021-22 were mostly accepted by the Board.



**C. Corporate Social Responsibility (CSR) Committee:**

The CSR Committee is, inter alia, responsible for formulating and monitoring the CSR Policy of the Company. The Committee also has the responsibility to recommend annual CSR plan and budget of the Company to the Board of Directors.

The existing constitution of CSR Committee is as under:-

Sr. No.	Name	Designation
1.	Shri Purshotam	Chairperson
2.	Prof. Sharad Sarin	Member
3.	Shri Shailendra H. Singh	Member

The CSR policy adopted by the Company is placed on the Company's website at <https://www.bobfinancial.com/public-disclosures.jsp>.

No meetings were held during the F.Y. 2021-22 since the matter were approved by the Committee vide circular resolution.

For F.Y. 2021-22, the Company had carried forward from previous FY 2020-21 Rs.18.95 Lacs to various activities/projects towards CSR. During FY 2021-22, the Company spent the remaining balance of Rs.18.95 Lacs. Majority part of unspent amount consisted of ongoing projects. All the recommendations/approvals (including circular resolutions), made by the CSR Committee were duly accepted/noted by the Board during the year.

As per statutory requirement, the Annual Report on CSR Activities for the year ended 31<sup>st</sup> March, 2022 is enclosed as **Annexure "A"**

28<sup>th</sup> ANNUAL REPORTSHAREHOLDERS MEETINGS:**Annual General Meetings:-**

Financial Year	Date	Time	Venue	Special Resolutions Passed, if any
2020-21	28.09.2021	11.00 A.M.	Himgiri Meeting Room , Ground Floor, Bank of Baroda, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	-
2019-20	28.09.2020	10.30 A.M.	Jeevan Meeting Room , Ground Floor , Bank of Baroda, Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	Appointment of Shri Shailendra Singh as MD & CEO of the Company and payment of remuneration
2018-19	27.09.2019	2.30 P.M.	Jeevan Meeting Room , Ground Floor , Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	(i) Alteration in AOA by substituting clause pertaining to tenure of appointment of independent directors (ii) Reappointment of independent directors for a further period of 3 years



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## Extra-Ordinary General Meetings:-

Financial Year	Date	Time	Venue	Special Resolution(s) Passed
2021-22	17.05.2021	11.00 A.M.	Jeevan Meeting Room , Ground Floor, Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	Increase in borrowing limits to Rs.1500 Crores
	21.06.2021	11.00 A.M.	Jeevan Meeting Room , Ground Floor, Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	Change in place of Keeping of Register of Members
2020-21	18.11.2020	11.00 A.M.	Jeevan Meeting Room , Ground Floor, Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	1) Increase in authorised share capital from Rs.200 crores to Rs.400 crores 2) Alternation of Cl. V of the Memorandum of Association (Capital clause)
2019-20	28.02.2020	10.30 A.M.	Jeevan Meeting Room , Ground Floor, Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	-
	17.06.2019	2.30 P.M.	8A Meeting Room , 8 <sup>th</sup> Floor, Bank of Baroda , Baroda Corporate Centre , Bandra Kurla Complex, Bandra (E), Mumbai - 400051	To consider borrowing approval up to Rs.1150 Crores.



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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, have been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts for the financial year ended 31<sup>st</sup> March 2022 have been prepared on a going concern basis;
- (v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD EVALUATION:

As per the provisions of Section 134(p) r/w section 178 of the Companies Act 2013 a formal evaluation by the Board of its own performance and that of its Committees and Individual Directors have been carried out for FY 2021-22.

For F.Y.2021-22, a separate Independent Director's Meeting was also held on 4<sup>th</sup> February, 2022.

The Board believes that all Directors upheld highest standards of integrity, adhered to Company's code of conduct, made constructive and effective contribution at meetings and generally carried out their responsibilities well in the interest of the Company and its stakeholders.

INFORMATION PURSUANT SECTION 197 OF THE COMPANIES ACT, 2013 R/W RULES 4 & 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014:

**a. MANAGERIAL REMUNERATION:**

The total managerial remuneration (including sitting fees) paid to the Managing Director and other Directors during F.Y.2021-22 was in accordance with the applicable provisions of the Companies Act, 2013. The Members had accorded their approval for remuneration paid/payable to Shri Shailendra Singh (DIN 08751442), holding the position of Managing Director & Chief Executive Officer of the Company during FY 2021-22 in the Annual General Meeting dated 28.09.2020.



**b. PARTICULARS OF EMPLOYEES:**

None of the employees draws salary more than the prescribed limit requiring disclosure in this report. None of the employees holds any equity share of the Company.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

In terms of section 134 of the Companies Act, 2013, the Company has an internal control system, commensurate with the size, scale and complexity of its operations. These internal controls ensure that all assets of the Company are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The key elements of internal control systems of the Company are as follows:

- Clearly defined organization structure and limits of authority.
- Well defined key responsibility areas and key performance indicators at various levels.
- Appropriate information flow to facilitate effective monitoring.
- Corporate policies for financial reporting, accounting, information security and corporate governance.

To maintain objectivity and independence, the adherence to internal controls and their adequacy was reviewed by the Internal Auditors who report to the Audit & Risk Management Committee. For F.Y.2021-22, M/s Borkar & Muzumdar, Chartered Accountants were appointed as Internal Auditors of the Company. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby further strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit and Risk Management Committee from time to time.

A qualified and independent Audit & Risk Management Committee of the Board of Directors reviewed the Internal Audit reports and the adequacy of internal control systems at quarterly intervals during F.Y. 2021-22 and their suggestions/observations were duly discussed and appropriately implemented by the Company.

The Company was not required to maintain the cost records as per Section 148(1) of the Companies Act, 2013,

**INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:**

Based on the work performed by the internal, statutory and secretarial auditors and the relevant Board Committees, the Directors are of the opinion that the Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size and nature of the business of the Company. During the



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year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### RISK MANAGEMENT:

As per Section 134(3) of the Companies Act, 2013, the Company undertakes regular review of its risk profile and keeps the Board of Directors adequately informed about the risk profile and the measures identified to mitigate such risks.

The Company originally had a "Risk Management Committee" constituted by the Board in its meeting dated 29<sup>th</sup> September, 2009, comprising of senior executives of the Company. However, basis the opinion of the Audit Committee the said "Risk Management Committee" was discontinued and accordingly, the Audit Committee was retitled as "Audit and Risk Management Committee" in September- 2017 and entrusted additional areas to oversee potential external or internal threats to the Company and to review the functions of Risk Management Department. The Company has constituted the Assets Liability Management Company (ALCO) consisting of senior management personnel primarily for ALM processes in the Company. The Company has also constituted a Product and Process Approval Committee (PPAC) to evaluate proposed products and processes in pre-launch phase post initial risk evaluation.

### SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS:

To the best of our knowledge, the Company has not received any such orders from regulators, courts or tribunals during the year which may impact the going concern status of the Company or its operations in future.

### ANNUAL RETURN:

Pursuant to Section 92 (3) and 134(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company can be accessed on the Company's website <https://www.bobfinancial.com/public-disclosures.jsp>

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREX EARNINGS, AND OUTGO:

The particulars relating to Conservation of Energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 r/w Rule 8 (3) of the Companies (Account ) Rules 2014, are given below:

#### A. Conversation of energy:

- i. Steps taken or impact on conservation of energy :

The Company is in the business of Card Issuance, Operations & Transaction Settlement Services. The nature of business is purely service oriented.

The Company's activities do not require substantial energy consumption. However the Company continues to lay emphasis on reducing energy



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consumption by constantly monitoring the consumption and taking steps to reduce wasteful use of energy.

As a measure of energy conservation, the Company had taken the following steps:

- Replaced legacy IT equipment with low energy consuming devices.
- Made necessary arrangement to work from home using Laptops instead of Desktops during pandemic and helped conserve electricity

## B. Technology absorption:

## i. Efforts made towards technology absorption:

The Company offered a customer self-service portal in order to facilitate credit card holders/ merchants to make payment and track/review their transaction details online. An 'Insta-pay' feature on the Company's website facilitated easy payment mode to the customer.

The Company introduced SMS Banking Service with self-serve options like Balance Inquiry, Card Blocking, Reward points, Last Statement Inquiry, open domestic e-commerce limit to facilitate effective contactless service.

The Company also introduced various alternative and easy modes of Payment channels like BBPS, Pay using SMS link to promote contactless payments through online modes. The hard copy statements had been reduced significantly following a 'GO GREEN' drive.

The Company also promoted "GREEN PIN" (online generation of PIN through self-service portal) functionality, under which, the customers are requested to generate online PIN through self-service portal instead of sending the physical PIN mailer.

## ii. Benefits derived like product improvement, cost reduction, product development or impact substitution:

The above technology initiatives helped the Company in:

- reducing cardholder complaints pertaining to bills not received
- saving time & energy of customers in making payment
- reduction of dispatch cost of hard copies of the bills and PIN mailers

## iii. The expenditure incurred on Research and Development : Nil

## C. Foreign exchange Receipts and outgo:\*

The Foreign Exchange receipts represented actual inflows during F.Y.2021-22 and the Foreign Currency expenditure represented outgo during the year in terms of actual outflows.

Activities in foreign currency :

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The Company receives funds in foreign currency for settlement of international transactions. The Company gets debited towards settlement agency charges in foreign currency.

(Amount in Rs. millions)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Foreign Exchange Income: (Income from Credit Card International Operation, currency conversion charges, business development incentive income)	23.61	29.72
Expenditure in foreign currency (Scheme Charges)	309.84	263.96

*\*The information on Foreign Exchange receipts and outgo is also furnished in the Note No.44 in the Notes to Accounts under the heading "Expenditure in Foreign Exchange".*

**RELATED PARTY TRANSACTIONS:**

There have been no material transactions with Directors or the Key Management Personnel and their relatives during F.Y.2021-22 that could have potential conflict with the interest of the Company.

To the best of our knowledge, all related party transactions, with Bank of Baroda (holding company) and/or its other subsidiaries/associates during F.Y.2021-22 were on an arm's length basis and in the ordinary course of business. The particulars of contracts/arrangements entered into with related parties are disclosed in AOC-2, appended as an **Annexure B** to this Report.

All related party transactions are placed before the Audit and Risk Management Committee and the Board for their approval. Transactions with related parties, as per the requirements of Ind-AS, are disclosed to the notes to accounts annexed to the financial statements.. The latest policy on related party transactions is available on our website at <https://www.bobfinancial.com/public-disclosures.jsp>

**STATUTORY AUDITORS:**

Statutory Auditors' Report dated 4<sup>th</sup> May, 2022 on the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 alongwith corrigendum dated 20<sup>th</sup> July 2022 is enclosed with the Financial Statements of the Company.

There was no observation, qualification, reservation or adverse remark made by Statutory Auditors under provisions of Section 143 of the Companies Act, 2013.

For F.Y. 2021-22, the C&AG has issued a clean report, with no comments on the financial statements of the Company (Copy of the same is forming the part of Annual Report).

**AUDITORS' REMUNERATION:**

In accordance with Section 142 r/w section 139(5) of the Companies Act, 2013, the remuneration of Statutory Auditors is required to be fixed by the Company in its Annual General Meeting. Accordingly, an Ordinary Resolution will be proposed at





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the forthcoming Annual General Meeting seeking approval for the remuneration recommended by the Board and further authority for the Board to finalize with the Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the F.Y.2022-23.

### COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

### SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company for F.Y.2021-22.

There was no observation, qualification or reservation made by the Secretarial Auditors of the Company. The detailed report of the Secretarial Auditors is appended as an **Annexure C** to this Report.

### VIGILANCE MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy and a Vigilance Policy. The mechanism under these Policies has been communicated within the organisation. The objective of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that whistle blower is protected. The Company has appointed a Chief Vigilance Officer (Chief Manager from BOB) for the purpose of reporting, enforcing and monitoring the Vigilance Policy and Whistle Blower Policy.

Preventive Vigilance Manual covering all functions have been prepared and circulated internally. The Company organized Knowledge sharing sessions with its employees on preventive vigilance during FY 2021-22.

The Company had received 1 complaint under Whistle Blower Policy during FY 2021-22 which was investigated and disposed off within timelines.

No complaint having vigilance angle was received during FY 2021-22.

### POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company follows the fit and proper criteria as laid down by RBI Directions and the Nomination and Remuneration Policy of the Company laid down under Section 178(2)&(3) of the Companies Act, 2013 and RBI Directions / circulars for appointment of Directors. The Human Resources & Nomination and Remuneration Committee of the Board recommends the appointment / re-appointment of a Director on the basis of satisfactory compliance of fit and proper criteria.

**28<sup>th</sup> ANNUAL REPORT****INFORMATION PURSUANT RULE 14 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) RULES, 2013:**

The Company has duly constituted Internal Committee in compliance with the provisions of section 4 of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and the Rules there under. The Committee is inter alia responsible to inquire into sexual harassment complaints by aggrieved women and recommend appropriate action.

During the year, under review, the Company had received 2 complaints of sexual harassment and both were disposed as per the policy guidelines.

**ACKNOWLEDGMENT:**

The Board of Directors acknowledge with gratitude the utmost co-operation and support extended by Bank of Baroda, Visa / Master Card International/NPCI, Service Providers, Merchant Establishments, Statutory & Internal Auditors, Comptroller and Auditor General of India, Reserve Bank of India, BSE and all the valued customers and expect their continued support and patronage in future too.

The Board wishes to place on record its deep appreciation for the dedicated service rendered by employees at all levels, enabling the Company to help achieve its growth plan during the year.

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS OF BOB FINANCIAL  
SOLUTIONS LIMITED



[Sanjiv Chadha]  
Chairperson  
(DIN 08368448 )

Date: 25 JUL 2022  
Place: Mumbai.



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR  
THE FINANCIAL YEAR 2020-21**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the  
Companies (Corporate Social Responsibility) Rules, 2014]

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**1. A brief outline on CSR Policy of the Company**

In adherence to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors, upon the recommendations of its CSR Committee, has adopted a Company policy on CSR.

The thrust areas of the policy are – promoting empowerment of woman and other weaker sections of society, supporting education of under privileged children / girl child, sponsoring vocational education for women, financial literacy, Disaster relief, conservation of environment, health care programs, contribution to the prime minister national relief fund or any other funds of the government of India.

**2. Composition of CSR Committee**

The constitution of CSR Committee during FY 2021-22 was as under:-

Sr. No.	Name	Designation
1.	Shri Purshotam	Chairman
2.	Prof. Sharad Sarin	Member
4.	Shri Shailendra H. Singh	Member

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The CSR policy has been uploaded on the website of the Company under web-link:  
<https://www.bobfinancial.com/public-disclosures.jsp>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)**

Not applicable since the Company is having average CSR obligation less than Rs.10 crores in pursuant to section 135(5) of the Act, in the three immediately preceding financial years.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Not applicable since the Company had not spent amount in excess of requirement provided under sub-section (5) of section 135 during FY 2021-22

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
Not applicable			

**6. Average net profit of the company as per section 135(5)**

Amount (in Lacs)

Particulars	F.Y.2018-19 (A) As per IGAAP	F.Y.2019-20 (B) As per IGAAP	F.Y. 2020-21 (C) As per INDAS*
Profit before Tax	605.35	(3494.85)	(2253.42)
Add: Capital Expenses and loss on sale of Fixed Assets	0.45	7.40	27.40
	605.80	(3487.45)	(2226.02)
Average Net Profit(A+B+C/3)	(5108.07)/3		
2 %	N.A.		

\*As per INDAS

**7. (a) Two percent of average net profit of the company as per section 135(5)**

NIL

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.** NIL

**(c) Amount required to be set off for the financial year, if any** NIL

**(d) Total CSR obligation for the financial year (7a+7b-7c).** NIL



8.(a) CSR amount spent or unspent for the financial year: NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Rs.16,66,800/-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Amount (in Rs)	
1	2019-20	45,75,300	6,78,000	-	-	-	38,97,300
2	2020-21	38,97,300	22,30,500	--	--	--	16,66,800
3	2021-22	16,66,800	16,66,800	-	-	-	Nil

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

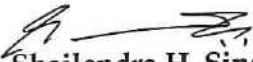
(1) Sr. No.	(2) Project ID	(3) Name of the Project.	(4) Financial Year in which the project was commenced	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed /Ongoing.
1.	Girija Welfare Association	Medical Camps and Health awareness sessions	2019-20	One year (extended till 21-22 due to Covid-19 )	5,35,000	3,40,000	5,35,000	Completed
2.	Ahaan	(A) Cyber	2019-20	One year	8,50,000	5,81,800	8,50,000	Completed

	Foundation	Sakhi (B) Building Digital Guardian		(extended till 21-22 due to Covid-19 )				
3.	PM CARES Fund	support relief or assistance of any kind relating to a public health emergency	2021-22	one time	7,45,000	7,45,000	7,45,000	Completed
	<b>TOTAL</b>				<b>21,30,000</b>	<b>16,66,800</b>	<b>21,30,000</b>	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). NOT APPLICABLE
- (b) Amount of CSR spent for creation or acquisition of capital asset. NOT APPLICABLE
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NOT APPLICABLE
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)  
NOT APPLICABLE

  
Shailendra H. Singh  
Managing Director & CEO  
DIN: 08751442

  
Purshotam  
Chairperson - CSR Committee  
DIN: 08504005



**FORM NO. AOC -2**

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis. –**

----- NIL -----

**2. Details of contracts or arrangements or transactions at Arm's length basis (for the Financial Year 2021-22).**

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts /arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Amount paid as advances, if any
1	Bank Of Baroda (Holding Company)	Merchant Operations	3 years	Management of merchant acquiring business by the Company for the Bank. Arrangement is for 3 years from the date of agreement unless terminated earlier in accordance with the terms of the executed agreement.	No
2	Bank Of Baroda (Holding Company)	Advertisement	Ongoing	Income from Bank of Baroda for Advertising Arrangement	No
3	Bank Of Baroda (Holding Company)	Fixed Deposits	Ongoing	Fixed Deposits	No
4	Bank Of Baroda (Holding Company)	Rent	5 years	Rent Paid to Bank of Baroda for using its premises.	No
5	Bank Of Baroda (Holding Company)	Short Term Borrowings	Ongoing	Regular arrangements of Credit Facility	No
6	Bank Of	Income from	Ongoing	Income from Bank of	No

	Baroda(Holding Company)	Consultancy services		Baroda for providing professional manpower services.	
	Bank Of Baroda(Holding Company)	Royalty	3 years	Royalty paid for usage of logo	No
	Bank Of Baroda(Holding Company)	Direct Sales services	Ongoing	Direct sales services to be provided by Company's personnel to promote Bank's asset products, solicit customers and maximize for the Bank in various territories.	No
7	IndiaFirst life Insurance limited(Associate-Bank of Baroda)	Gratuity fund	Ongoing	Contributions towards gratuity fund.	
8	Baroda Asset Management Company (Subsidiary -Bank of Baroda)	Investment in Mutual Funds	Ongoing	Investments in Units of Mutual Funds as per Investment Policy of the Company.	No
	Baroda Global Shared Services Limited (Subsidiary -Bank of Baroda)	Issuance & back-office operations	Ongoing	Processing of credit card issuance and Customer service back office operations	No

**For BOB Financial Solutions Limited**

**Sanjiv Chadha**  
[Chairperson]  
(DIN : 08368448)





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **INDUSTRY STRUCTURE & DEVELOPMENTS**

#### **A. The Indian Credit Cards Industry & Key Developments in FY 21-22**

##### Overview

The Indian credit card industry is expected to grow at a CAGR of more than 25% during 2020 – 2025. There are several factors contributing to the estimated growth of Indian Credit Card industry. The push for digital payments, both by the government and RBI, is a key factor. This is having a positive impact both on the issuance as well as the acceptance side. Customers who were hesitant towards plastic money are made aware of the safety and convenience of digital modes of payment (that includes credit card), and are adopting them at a faster pace. Customers also have several points of acceptance, both physical and online, for using their credit card.

Another key factor driving credit card growth is increase in issuance to customers from non-metros and smaller towns. The share of Millennials or the young population between 18-25 years of age is another significant factor driving credit card growth.

While there are several more factors driving new credit card acquisition, new underwriting methods made possible by alternative scoring and other demographic and behavioural insights created/adopted by FinTechs are also helping in continuously expanding the customer base that could be targeted for credit cards. The usage of newly issued credit cards is made possible by the push for digital payments, which has taken acceptance to every nook and corner of the country. Credit Cards are now being used to make payments for utility bills, educational expenses, healthcare, insurance, government payments in addition to the traditional purchases of grocery, electronics, apparel and fuel.

The COVID19 pandemic migrated most credit cardholders to online or e-commerce transactions, thereby opening up even more avenues for credit card usage.

The adoption of Buy Now Pay Later or Equated Monthly Instalment (EMI) is also contributing to the growth in usage of credit cards. More cardholders are refusing to postpone their purchases, armed with several attractive EMI options offered by the credit card issuers, frequently without any additional cost, in partnership with manufacturers or large merchants.

##### Industry Structure

The Indian Credit Cards industry had 34 issuers with more than 7.36 cr. credit cards outstanding as of 31<sup>st</sup> March 2022. (source – RBI data)

The number of credit cards grew approximately 19% from 6.2 cr. as of March 2021 to 7.36 cr. as of March 2022. The growth was more than double compared to FY 20-21, aided by easing of the pandemic and lifting of regulatory embargo (on new issuance) on a large issuer.

In terms of spends, the industry grew by 54% in FY 21-22 compared to FY 20-21 (from Rs. 6.32 lakh cr. to Rs. 9.75 lakh cr.). This was a welcome recovery after the 14% fall in spends in the previous FY, primarily due to the restrictions imposed to contain the pandemic.

In other key industry developments, the regulator continued to mandate measures that would increase the security of transactions and give more control to the customer. These were manifested in measures like Card Control, E-Mandates and Tokenization.

The share of digital, both in new customer acquisition as well as usage (e-commerce transactions) continued to increase, along with increase in Fintech activity in terms of product and process innovations to enhance customer experience.

#### **B. The performance of BOB Financial vis-à-vis the industry in FY 21-22**

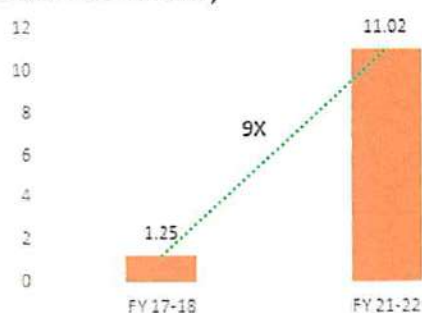
The Company grew at a rate of 71% (from 6.45 lakh cards to 11.04 lakhs). The Company ranked 12th in terms of number of cards as of March 2022. The market share increased to 1.5% as of March 2022 from 1.04% as of March 2021.

For the Company, spends more than doubled, growing by 103% in FY 21-22 compared to FY 20-21. The spends grew to approx. Rs.6,900 cr. from approx. Rs. 3,400 cr. The Company ranked 13<sup>th</sup> as of March 2022, in terms of credit card spends. The market share improved to 0.7% from 0.5% in FY 20-21.

#### **OUR GROWTH & KEY HIGHLIGHTS OF FY 21-22**

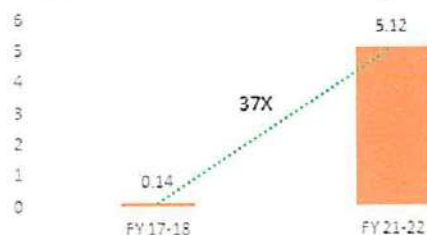
The Company has exhibited exceptional growth from FY 17-18 to FY 21-22 across the following key business metrics:

**Number of Cards:** The number of cards has grown 9 times (from 1.25 lakhs to more than 11.02 lakhs)

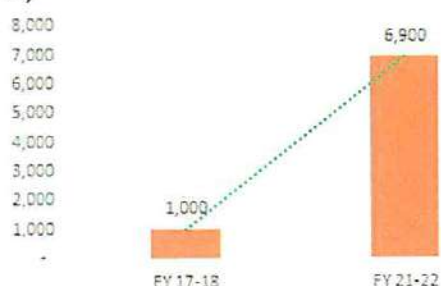




*New acquisition in a Financial Year:* New acquisition has grown 37 times (from 0.14 lakhs to more than 5.12 lakhs)



*Spends in a Financial Year:* Spends have grown 7 times (from Rs. 1,000 cr. to Rs. 6,900 cr.)



## **OPPORTUNITIES & THREATS**

The Company identifies, and is cognizant of the following key Opportunities and Threats:

### **Opportunities**

- Lower Penetration of credit cards vs other developing economies
- Youth and Smaller Locations driving growth in digital payments
- Penetration of Smart Phones driving e-Commerce across geographies
- Market integration through partnerships and collaboration

### **Threats**

- Regulatory mandates requiring investments and time
- Disruptive strategies by hi-tech / new age fintech companies
- Higher provisions or losses in case of unexpected developments like the pandemic or economic downturns

## **- SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company operations are in India and hence there is no segment reporting by geographical segment. The Company has reviewed and reconsidered the requirements of presenting segment information and accordingly identified business segment as the primary segment for disclosures in accordance with Ind AS 108 on segment reporting. The Company has identified credit card (issuing), merchant (acquiring), debit card and other as the business segments.

Out of total revenue of approx. Rs 500 crores, the Company earned majorly Rs.359.61 crores from credit card (issuing).

Please refer Note 40 of the audited financial statements for detailed segment-wise performance.

- **OUTLOOK & RISKS AND CONCERNS**

With all economies opening up and putting an end to lockdowns and other Covid-19 related restrictions, the pandemic seems to be a thing of past. However, problems continue for global economies due to the on-going Russia-Ukraine war, with increasing oil and other commodity prices. Currently inflation is at multi-decade high in many economies. Elevated inflation levels have prompted rate hikes by Global Central Banks RBI. RBI has also hinted it may further increase rates in coming months if inflation is not under control. The tense global geopolitical situation and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Early results from manufacturing, services and infrastructure sector firms polled in the Reserve Bank's surveys expect further input and output price pressures going forward.

In view of the cascading effect of the COVID-19 pandemic, the Company had continued to strengthen its Risk Management framework by aligning its risk management strategies and policies in line with the risks emanating out of unsecured lending. The Company modified its NPA provisioning methodology moving from manual to systemic computations. The Company also continued its focus on collections and bad debts recovery. The Company focussed on building its customer base through internal acquisitions, staff referrals and targeting less vulnerable segments.

The Company revised its risk policies on credit line management with detailed individual/sector/ card limits, covering multiple risk dimensions. The Company continued to offer digital payment methods in line with the evolution in the payment systems across the industry in addition to the conventional methods of repayment.

The Company had achieved robust growth in FY 2021-22 through strong sourcing strategy supported by strong parentage of Bank of Baroda. The Company also has well defined IT processes leading to increase in operational efficiency and robust risk management practices and credit due diligence norms exhibiting cautious aggression led by a veteran Board and significantly senior management team. For FY 23, the Company plans to leverage its strengths to capitalize on the opportunity in payments space to become one of the top players



in the credit card segment by offering comprehensive range of products and best in class alliances to suit varied customer segments.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. These internal controls ensure that all assets of the Company are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The adherence to internal controls and their adequacy is independently reviewed by an external audit firm who reports to the Audit & Risk Management Committee of the Board.

Please refer "Internal Control Systems and their adequacy" section of the Board Report for more details.

- **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company's total revenue from operations increased by 40.44% from Rs.352.89 crores to Rs. 495.60 crores mainly due to increase in interest on credit card loans and income from fees and merchant operations. Total operating expenses increased by 43.5% Rs.200 crores to Rs.287 crores on account of increase in interchange fee, business promotion expenses, bonus point expenses, recovery agent charges, software/IT expenses and other administrative expenses. On an overall level, the Company's total expenses amounted to Rs.505.61 crores, thereby resulting in a loss of Rs.10.43 crores after tax adjustments as compared to Rs.9.6 crores in previous FY 2020-21.

- **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company's headcount including Cards vertical, merchants and DST (Tractor) stood at 410 as on 31<sup>st</sup> March 2022.

The Company has been continuously undertaking multiple initiatives for strengthening and developing its Human capital through various activities to increase employee engagement, recruitment of right talent, increasing knowledge, skills & Leadership capabilities, at the same time focussing on Health and Wellness of team members.

The Company offered best in class e-programs of Ivy league colleges and also partnered with Baroda Apex Academy in the continuous journey of becoming a "learning organisation". The Company also restructured the sales and operations verticals with a view to increase operational efficiencies.

The Company continued to follow Balanced score card approach to measure its performance and has a robust performance appraisal management process in place.

The Company was awarded as "Best Places to Work in India" by Ambition Box in Small Financial Services Company category in India.

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
BOB FINANCIAL SOLUTIONS LIMITED



Date: 25 JUL 2022  
Place: Mumbai.

[Sanjiv Chadha]  
Chairperson  
(DIN 08368448)



# HEMANSHU KAPADIA & ASSOCIATES

## COMPANY SECRETARIES

Office No. 12, 14<sup>th</sup> Floor, Navjivan Society, Building No.3

Lamington Road, Mumbai-400 008

Tel: 022- 6631 0888/6631 4830

E-mail: [hemanshu@hkacs.com](mailto:hemanshu@hkacs.com)

Website: [hkacs.com](http://hkacs.com)

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial year ended 31<sup>st</sup> March 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule*

*No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel)*

*Rules, 2014]*

To,

The Members,

**BOB Financial Solutions Limited**

CIN: U65990MH1994GOI081616

2<sup>nd</sup> Floor, Baroda House

Behind Dewan Shopping Centre,

Jogeshwari - West,

Mumbai- 400102

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on the **31<sup>st</sup> March, 2022**, ("the Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2022**, according to the provisions of:





- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;  
(Not Applicable to the Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;  
(Not Applicable to the Company)
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not Applicable to the Company as it does not have FDI or ODI)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; (Not Applicable to the Company)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company)
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company) and





(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company)

(vi) The Company has identified the following as industry specific law applicable to the Company:

(a) RBI Circulars on Non-Banking Financial Companies (non-deposit accepting, systematically important) including Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and as notified by the Central Government, and

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

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

BSE Limited has levied a penalty of Rs.1000/- on the Company for late submission of Statement of Investor Grievance for the quarter ended 31<sup>st</sup> March 2021 to be filed under Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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



As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were carried through with requisite majority and no dissenting views have been recorded.

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

We further report that during the financial year ended 31<sup>st</sup> March, 2022, the Company at the Extraordinary General Meeting held on 17<sup>th</sup> May, 2021, has obtained the approval of its members to increase the borrowing limits upto Rs. 1500 Crores and at the Extraordinary General Meeting held on 21<sup>st</sup> June, 2021, has obtained the approval of members to change the place of keeping statutory records of the Company.

We further report that during the Audit Period, there were no instances of:

- (i) Public/ Preferential issue of shares/sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.



For Hemanshu Kapadia & Associates  
Practicing Company Secretaries

*H. Kapadia*

Hemanshu Kapadia  
Proprietor  
C.P. No.: 2285  
Membership No.: 3477  
UDIN: F003477D000564281

Date: 04<sup>th</sup> July, 2022

Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



## Annexure A

To,  
The Members,  
**BOB Financial Solutions Limited**  
CIN: U65990MH1994GOI081616  
2<sup>nd</sup> Floor, Baroda House  
Behind Dewan Shopping Centre,  
Jogeshwari - West,  
Mumbai- 400102

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. Further, due to COVID-19 restrictions, we had limited physical access to the documents and have relied on the documents provided by the Company through electronic mode.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.



6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



For Hemanshu Kapadia & Associates  
Practicing Company Secretaries

*H. Kapadia*

Hemanshu Kapadia  
Proprietor  
C.P. No.: 2285  
Membership No.: 3477

Date: 04<sup>th</sup> July, 2022  
Place: Mumbai



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF BOB FINANCIAL SOLUTIONS LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of BOB Financial Solutions Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of BOB Financial Solutions Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India



(P.V. Hari Krishna)

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date: 22.07.2022

**Independent Auditor's Report**

To,

The members of **BOB FINANCIAL SOLUTIONS LIMITED**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **BOB FINANCIAL SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, and its Loss (financial performance including other comprehensive income), the changes in equity and its Cash Flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to

1. Note 39 to the financial statements which explains that the extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which are highly uncertain.
2. Note No. 4, to the financial statements, which explains that the Company migrated to the new card management System (CCMS)"First vision" during the quarter ended 30th Sept 21. Subsequently all the transaction processing for credit card business is being routed through the new CCMS. As the implementation of the said system is in process, Cash and Cash Equivalents include Rs 4.85 million (net) in respect of which the clearing is still under progress.

Our opinion is not modified in respect of this matter.





-: 2 :-

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after this auditor's report.

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

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

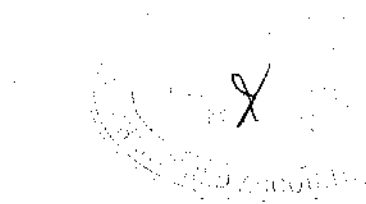
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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-: 3 :-

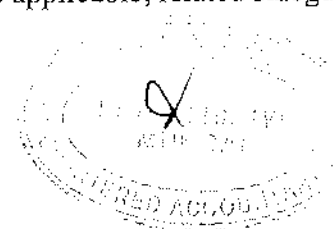
**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

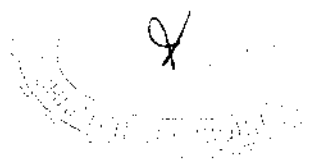




-: 4 :-

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in the Annexure "B".
3. As required by Section 143(3) of the Act, we report that:
  - (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c). The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d). In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e). On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f). With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "C".
  - (g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



-: 5 :-

iv.

- a) The management has represented that, to the best of its knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) As per the information and explanation given to us , to the best of our knowledge and belief, and audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The Board has not recommended any dividend during the year and hence provisions of Section 123 of the Companies Act, 2013 are not applicable.

**FOR ASL & CO.**  
Chartered Accountants  
(Regn. No 101921 W)

(Shikha Jain)  
PARTNER

Membership No. : 136484  
UDIN: 22136484AIKOKL7256

PLACE: - MUMBAI.  
DATED: -May 04, 2022



**Annexure “A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of the Independent Auditors’ report of even date on the Financial Statements of BOB Financial Solutions Limited for the Year Ended 31<sup>st</sup> March 2022.**

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under. Matters specified in clauses (i)(c) (e),(iii)(a)(e),(vi),(viii), (ix) (e) (f),(xi) (b) (c),(xii), (xv), (xvi)(b) (c) (d), (xvii), (xviii), (xx) & (xxi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 do not apply to the Company. Accordingly no comments have been made on the matters not applicable to the company.

( i )

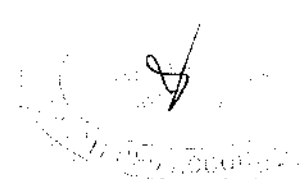
- ( a ) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- ( b ) The company has maintained proper records showing full particulars of intangible assets.
- ( c ) As per the information and explanations given to us, fixed assets have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
- ( d ) The company has not revalued its Property, Plant and Equipment during the year.

( ii )

- ( a ) As per the information and explanations given to us, the inventory has been physically verified by the management during the year at reasonable intervals. According to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of Inventory were noticed on verification between the physical stock and the book records.
- ( b ) As per information and explanations given to us, and to the best of our knowledge and belief, during the year under review, the company has been sanctioned working capital limit in excess of ₹ 50 million from bank on the basis of security of the current assets. As informed to us , the same was disbursed on the last day of the year under review and the filing of the quarterly statements and returns , of the currents assets secured, was not due till the year end.

( iii )

According to information and explanations given to us, and to the best of our knowledge and belief, and based on examination of the books and records, during the year under review the Company has not provided any guarantee and security to any parties; but the company has made investments and granted loans and advances in the nature of loans, secured and unsecured during its normal course of business.



-: 2 :-

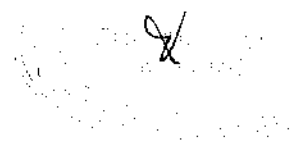
- ( a ) The terms and conditions of the grant of all loans and advances in the nature of loans are, prima facie not prejudicial to the company's interest
- ( b ) According to the information and explanations given to us and based on examination of the books and records, in respect of the loans and advances in the nature of loans granted by the company , the schedule of repayment of principle and payment of interest has been stipulated and repayments or receipts are regular , except for the credit impaired cases .
- ( c ) According to the information and explanations given to us , as at the end of the year under review , the over due for more than 90 days is Rs. 1078.84 millions (before making provision for Impairment Loss Rs. 910.54 millions ). According to the information and explanations given to us , the company is taking necessary steps to recover the same.
- ( d ) As per information and explanations given to us, during the year under review the company has not any granted loan and advances in the nature of loan , repayable on demand or without specifying any terms or period of repayment , to promoters and related parties defined under section 2(76) of the Companies Act 2013.
- ( iv ) According to the information and explanations given to us, in respect of Investments made during the year under review, the company has complied with the provisions of Section 186 of the Companies Act, 2013.
- ( v ) As per information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 of the Companies Act 2013 and Rules made there under.
- ( vi )
- ( a ) As per the records of the Company and according to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues, to the extent applicable to it.

According to the information and explanations given to us , there are no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding as at 31st March, 2022 for a period of more than 6 months from the date they became payable.

A handwritten signature is written over a circular stamp. The stamp contains the text "BOB Financial Solutions Limited" around the perimeter and "16/03/2022" in the center.

-: 3:-

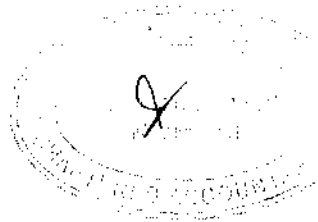
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2022 which have not been deposited on account of a dispute.
- (vii)
- (a) According to the information and explanations given to us the Company has not defaulted in payment of dues to its bank.
- (b) According to the information and explanations given to us the company is not declared as a willful defaulter by any banks or financial institutions or lenders
- (c) According to the information and explanations given to us, and on overall examination of the financial statements of the company, funds raised by the company on short term basis have not been utilized for long term purposes.
- (viii) As per information and explanations given by the management, no fraud by the company or any fraud on the Company has been noticed or reported during the year under review. However certain instances of customer frauds on the company have been reported during the year. As informed to us, these primarily relate to the fraudulent usage of the credit cards issued by the company and the total amount involved is Rs. 10.30 million during the year under review.
- (ix) As per information and explanations given to us and based on our examination of the records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (x)
- (a) In our opinion, based on the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit;
- (xi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 23<sup>rd</sup> October 1999.





-: 4 :-

- ( xii ) On the basis financial ratios, ageing and expected date of realisations of financial assets and payment of financial liabilities, other information accompanying financial statements , as per the information and explanations given to us, about the board of directors and management plans , and based on our examination of the evidence supporting the assumptions, nothing has come to our notice that causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



**FOR ASL & CO.**  
**Chartered Accountants**  
**(Regn. No 101921 W)**

**(Shikha Jain)**  
**PARTNER**

**Membership No. : 136484**  
**UDIN: 22136484AIKOKL7256**

**PLACE: - MUMBAI.**  
**DATED: - May 04, 2022**

**Annexure “B” to the Independent Auditors’ report of even date on the Financial Statements of BOB Financial Solutions Limited for the Year Ended 31<sup>st</sup> March 2022.**

**Directions under section 143 (5) of the Companies Act, 2013**

We have examined the books of accounts of the **BOB Financial Solutions Limited** for the year ended March 31, 2022 and we are submitting our comments and answers to the questions asked in the directions issued by the Comptroller & Auditor General of India, according to the best of our information and explanations given to us by the management and as appears from the examination of the books of accounts and records produced before us by the Company, which are as under.

S. No.	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? If no, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanation given to us and based on the examination of records on the test check basis, the Company has system in place to process all the accounting transaction through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is Government company, then its direction is also applicable for statutory auditor of lender company).	Based on our audit procedures and on the basis of information and explanations given to us, no restructuring of any existing loan facility and no case waiver/write off from the Company’s lender in respect of loan facility during the year under review reported.
3.	Whether funds (grant/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information & explanation given to us and the records produced before us, no funds (grant/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies during the year under review. Reimbursement receivable under the

-: 2 :-

		"Incentive Scheme for promotion of RuPay Debit Cards and Low Value BHIM-UPI transaction (P2M)" is not considered as Grant / subsidy for this purpose not considered as Grant / subsidy for this purpose.
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**FOR ASL & CO.**  
**Chartered Accountants**  
**(Regn. No 101921 W)**



**(Shikha Jain)**  
**PARTNER**

**Membership No. : 136484**  
**UDIN: 22136484AIKOKL7256**

**PLACE: - MUMBAI.**  
**DATED: - May 04, 2022**



**Annexure “C” to the Independent Auditor’s Report Of Even Date on the Financial Statements of BOB Financial Solutions Limited.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

We have audited the internal financial controls over financial reporting of **BOB Financial Solutions Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to financial statements and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness.

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

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



-: 2 :-

**Meaning of Internal Financial Controls with reference to the Financial Statements**

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

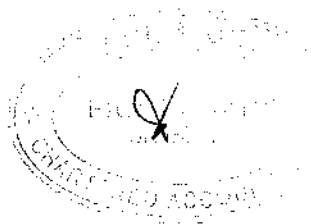
**Inherent Limitations of Internal Financial Controls with reference to the Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us and matter described in Emphasis of Matter paragraph above, the company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to the financial statements criteria established by the company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

**FOR ASL & CO.**  
**Chartered Accountants**  
**(Regn. No 101921 W)**



  
**(Shikha Jain)**  
**PARTNER**

**Membership No. : 136484**  
**UDIN: 22136484AIKOKL7256**

**PLACE: - MUMBAI.**  
**DATED: - May 04, 2022**

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
Cash and cash equivalents	4	695.97	158.84
Bank balance other than above	5	0.12	-
Trade receivables	6	238.44	363.91
Loans	7	12,454.50	7,430.30
Investments	8	-	-
Other financial assets	9	150.00	139.63
<b>2 Non-financial assets</b>			
Inventories		29.64	1.00
Deferred tax assets (net)	10	494.14	441.86
Property, plant and equipment	11	30.48	127.00
Right-of-use assets	12	63.55	81.29
Intangible assets under development	13	0.63	19.91
Other intangible assets	14	160.09	29.37
Other non-financial assets	15	867.73	678.40
<b>Total assets</b>		<b>15,185.29</b>	<b>9,471.49</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		15.45	1.69
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		139.07	70.54
Debt securities	17	995.02	4,064.28
Borrowings (other than debt securities)	18	10,116.57	2,584.65
Other financial liabilities	19	230.81	170.58
<b>2 Non-financial liabilities</b>			
Provisions	20	666.67	438.27
Other non-financial liabilities	21	212.22	230.97
<b>Total liabilities</b>		<b>12,375.81</b>	<b>7,560.98</b>
<b>Equity</b>			
Equity share capital	22	2,750.00	1,750.00
Other equity	23	59.48	160.51
<b>Total equity</b>		<b>2,809.48</b>	<b>1,910.51</b>
<b>Total liabilities and equity</b>		<b>15,185.29</b>	<b>9,471.49</b>
The accompanying notes are an integral part of the financial statements		1-52	

As per our report of even date  
For ASL & Co.  
Chartered Accountants  
[Firm Registration No. 101921W]

Shikha Jain  
Partner  
(Membership No. 136484)

Place: Mumbai  
Date: 4th May 2022.

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

Sanjiv Chadha  
Chairman  
(DIN:08368448)

Pooja Kerkani  
Chief Financial Officer  
(PAN:AHEPB7049P)

Place: Mumbai  
Date: 4th May 2022.

Shallendra 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, 2022

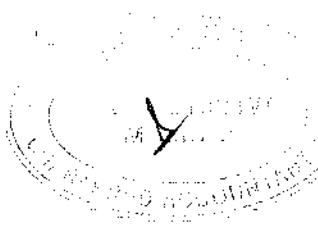
(Figure in Rupees in millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>			
(i) Interest income	24	1,854.09	1,094.62
(ii) Income from fees and services	25	2,963.31	2,291.58
(iii) Income from Consultancy		111.08	114.48
(iv) Business development incentives		27.53	28.19
(i) <b>Total revenue from operations</b>		<b>4,956.01</b>	<b>3,528.87</b>
(ii) Other income	26	40.52	133.82
(iii) <b>Total income (i + ii)</b>		<b>4,996.53</b>	<b>3,662.69</b>
<b>Expenses</b>			
(i) Finance cost	27	441.19	279.80
(ii) Impairment on financial instruments	28	1,028.84	852.83
(iii) Employee benefit expenses	29	564.83	585.00
(iv) Depreciation, amortization and impairment	10 11 & 12	151.14	169.76
(v) Operating and Other expenses	30	2,870.12	2,000.63
(vi) Corporate social responsibility expenses		-	-
(iv) <b>Total expenses (IV)</b>		<b>5,056.12</b>	<b>3,888.03</b>
(V) <b>Profit/(loss) for the period (III-IV)</b>		<b>(59.59)</b>	<b>(225.34)</b>
<b>Tax Expense:</b>	31		
(a) Current tax		98.07	74.68
(b) Deferred tax (credit)		(53.37)	(204.00)
(c) Income tax for earlier year		-	-
(VI) <b>Total Tax expense</b>		<b>44.70</b>	<b>(129.32)</b>
<b>Profit/(loss) for the year (V - VI)</b>		<b>(104.29)</b>	<b>(96.01)</b>
(VII) <b>Other comprehensive income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
Remeasurement gain/(loss) on defined benefit plan		4.35	1.96
Income tax impact		(1.09)	(0.57)
<b>Total (A)</b>		<b>3.26</b>	<b>1.39</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>3.26</b>	<b>1.39</b>
(VIII) <b>Total comprehensive income for the year</b>		<b>(101.03)</b>	<b>(94.62)</b>
(IX) <b>Earnings per equity share</b>			
Basic (Rs.)	32	(0.41)	(0.55)
Diluted (Rs.)		(0.41)	(0.55)
The accompanying notes are an integral part of the financial statements		1-52	

As per our report of even date  
For ASL & Co.  
Chartered Accountants  
[Firm Registration No. 101921W]

Shikha Jain  
Partner  
(Membership No. 136484)

Place: Mumbai  
Date: 04th May 2022



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

Sanjiv Chadha  
Chairman  
(DIN:08368448)

Pooja Karnani  
Chief Financial Officer  
(PAN:AHEP87049P)

Place: Mumbai  
Date: 4th May 2022.

Shailendra 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, 2022

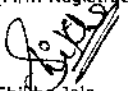
(Figure in Rupees in millions, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Operating activities</b>		
Profit before tax	(59.59)	(225.34)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation & amortisation	151.14	169.76
Impairment on financial instruments	1,028.84	852.83
Profit on sale of fixed assets	(0.06)	(0.77)
Write off of fixed assets	0.77	2.74
Interest on lease liabilities	5.17	7.34
Income from mutual fund	(5.34)	(4.47)
Finance cost	436.02	272.46
<b>Operating Profit Before Working Capital Changes</b>	<b>1,556.96</b>	<b>1,074.55</b>
<b>Working capital changes</b>		
(Decrease)/ Increase in trade payables	82.29	(80.97)
(Decrease)/ Increase in other financial liabilities	80.23	(31.26)
(Decrease)/ Increase in other non financial liabilities	(18.75)	113.13
(Decrease)/ Increase in provisions	232.75	105.63
(Increase)/ Decrease in Financial assets loans	(6,053.04)	(4,300.97)
(Increase)/ Decrease in Other financial assets	(10.37)	(76.53)
(Increase)/ Decrease in Inventory	(28.64)	9.08
(Increase)/ Decrease in other non financial assets	(227.21)	(242.88)
(Increase)/ Decrease in trade receivables	125.47	82.22
Income tax paid	(60.20)	(134.70)
<b>Net cash flows from/(used in) operating activities</b>	<b>(5,897.47)</b>	<b>(4,557.25)</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment ("PPE") including intangible assets	(149.10)	(62.07)
Sale proceeds from PPE	0.06	0.96
Purchase of Investments	(12,369.75)	(7,449.63)
Sale Proceed from Investments	12,375.09	7,454.10
<b>Net cash flows from/(used in) Investing activities</b>	<b>(143.70)</b>	<b>(56.65)</b>
<b>Financing activities</b>		
Proceeds from debt securities	7,531.92	4,064.28
Issue of Equity share	1,000.00	-
Repayment of debt securities	(3,069.26)	(218.88)
Interest on lease liabilities	(5.17)	(7.34)
Interest paid	(436.02)	(272.46)
<b>Net cash generated/(used in) financing activities</b>	<b>5,021.46</b>	<b>3,565.60</b>
<b>Net increase in cash and cash equivalents</b>	<b>537.25</b>	<b>26.25</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>158.84</b>	<b>132.59</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>696.09</b>	<b>158.84</b>

**Note:**


- 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.
- Component of cash and cash equivalents disclosed in 'Note 4: Cash and cash equivalent' and Note 5- Bank balance other than cash and cash equivalent.


As per our report of even date  
For ASL & Co.  
Chartered Accountants  
[Firm Registration No. 101921W]

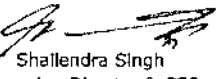
  
Shikha Jain  
Partner  
(Membership No. 136484)


Place: Mumbai  
Date: 04th May 2022

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

  
Sanjiv Chadha  
Chairman  
(DIN:08368448)

  
Pooja Kapani  
Chief Financial Officer  
(PAN:AHEPB7049P)

  
Shalendra Singh  
Managing Director & CEO  
(DIN: 08623335)

  
Deepashri Cornelius  
Company Secretary  
(PAN:BVLPS3134E)

Place: Mumbai  
Date: 4th May 2022.



8/61

Statement of changes in equity

(Figure in Rupees in millions, unless otherwise stated)

A. Equity Share capital

Particular	Number of shares	Amount
Balance as at 1 April 2020	17,50,00,000	1,750.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	17,50,00,000	1,750.00
Changes in equity share capital during the year	10,00,00,000	1,000.00
Balance as at 31 March 2022	27,50,00,000	2,750.00

B. Other Equity

Particular	Reserves and Surplus		Total
	Statutory Reserve	Retained Earnings	
Balance as at 1 April 2020	352.17	(97.04)	255.14
Add: Loss for the year	-	-	-
Add: Other comprehensive income	-	1.39	1.39
Transfer to/from retained earnings	-	(96.01)	(96.01)
Balance as at 31 March 2021	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)
Balance as at 31 March 2022	352.17	(292.69)	59.48

As per our report of even date

For ASL & Co.

Chartered Accountants

[Firm Registration No. 101921W]

  
Shikha Jain

Partner

(Membership No. 136484)

Place: Mumbai

Date: 04th May 2022

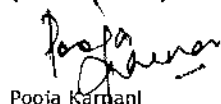
For and on behalf of the Board of Directors

BOB Financial Solutions Limited

  
Sanjit Chadha

Chairman

(DIN:08368448)

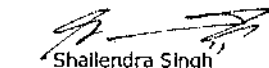
  
Pooja Karmani

Chief Financial Officer

(PAN:AHEPB7049P)

Place: Mumbai

Date: 04th May 2022

  
Shalendra Singh

Managing Director & CEO

(DIN: 08623335)

  
Deepashri Cornelius

Company Secretary

(PAN:BVLPS3134E)





## 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. It also provides support to Bank of Baroda by carrying out its merchant acquiring operations and manpower/consultancy services. Until December 2020, the Company was also supporting Bank of Baroda's overseas territory subsidiaries/sponsored RRB's for their Debit Cards operation, however all activities relating to these have been now transferred to respective overseas territory subsidiaries/ sponsored RRB's.

During the year ended March 2022, Company has issued 10 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, 2022 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.

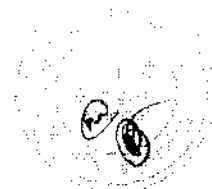
Revenue includes the following:

**a) Interest Income**

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



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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**

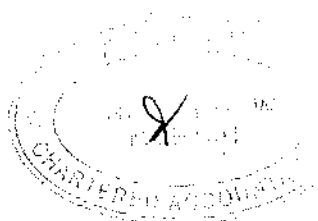
The Company enters into long-term contracts with network partners for various programs designed to build payments volume, increase product acceptance. Revenue recognition is based on estimated performance and the terms of the business arrangements.

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

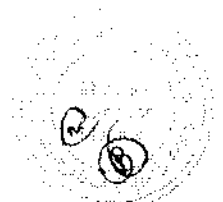
The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts/ old balances aged up to 3 years is written back as income on balance sheet date.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



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### 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



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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

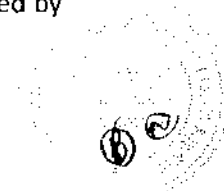
All Other expenses are recognized in the period they occur.

#### 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



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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:

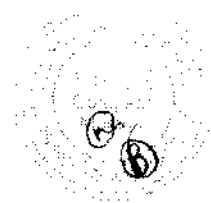
1. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
2. In respect of taxable temporary 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.



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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.



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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:

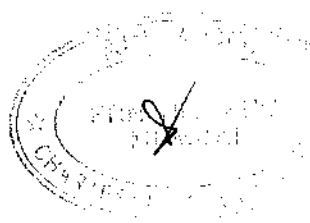
Financial assets are measured at fair value through other comprehensive income where they have:

- 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.

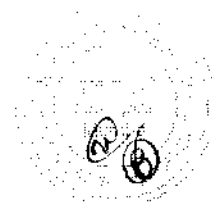
Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously 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.



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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.

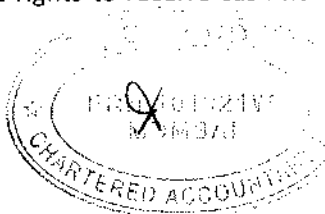
### 3.3.4 Reclassification of financial assets and liabilities

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.



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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

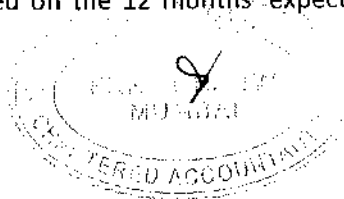
#### **1. Overview of the ECL principles**

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,

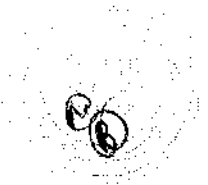
- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income
- Undrawn credit limits

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



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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.



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## 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.

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## 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.

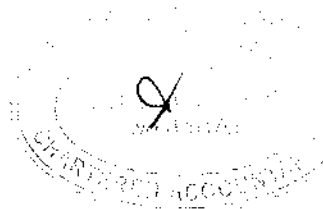
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

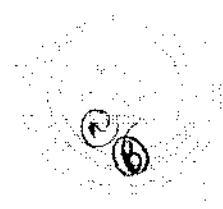
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.



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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**

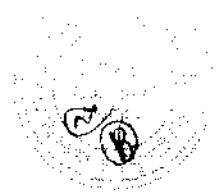
#### Tangible Assets

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



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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.

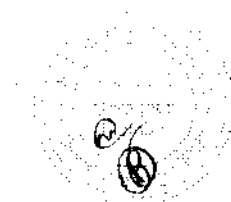
The Costs of Intangible assets are amortized over the period of 5 years, on Straight Line Method

#### 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.



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### 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.

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### 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

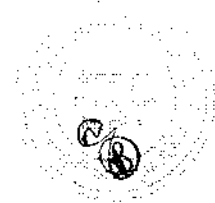
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that 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.



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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.

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### **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 recognized 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 policies:**

##### **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.

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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



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## Note 4: Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.02	0.02
Balances with bank*	695.95	158.82
<b>Total</b>	<b>695.97</b>	<b>158.84</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.

\*includes unspent amount of CSR of Rs. 0.01 mn lying in current account.

The Company migrated to the new card management System (CCMS) "First vision" during the quarter ended 30th Sept 21. Subsequently all the transaction processing for credit card business is being routed through the new CCMS. As the implementation of the said system is in process, Cash and Cash Equivalents includes Rs 4.85 million (net) where the clearing is under progress.

## Note 5: Bank balance other than above

Particulars	As at 31 March 2022	As at 31 March 2021
Deposit with original maturity for more than 3 months but less than 12 months (lien marked)	0.12	-
<b>Total</b>	<b>0.12</b>	<b>-</b>

## Note 6: Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable considered good		
- Unsecured		
To be realised within twelve months after reporting date:	202.67	309.32
To be realised after twelve months after reporting date:	35.77	54.59
<b>Total</b>	<b>238.44</b>	<b>363.91</b>
Trade receivables include unbilled revenue	100.72	79.69

## 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>

## As at 31st March 2021

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	312.12	36.94	14.18	0.67	-	363.91
<b>Total</b>	<b>312.12</b>	<b>36.94</b>	<b>14.18</b>	<b>0.67</b>	<b>-</b>	<b>363.91</b>

Trade receivable from related party	As at 31 March 2022	As at 31 March 2021
Bank of Baroda	195.26	326.14
Subsidiary of Bank of Baroda	0.13	0.26

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

Trade receivable includes majority 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 31 March 2022	As at 31 March 2021
<b>At Amortised Cost</b>		
<b>A)</b>		
<b>LOAN AND ADVANCE</b>		
To be realised within twelve months after reporting date	12,913.09	7,901.15
To be realised after twelve months after reporting date	1,370.16	873.70
Total (A) -Gross	14,283.24	8,774.85
Less: Impairment loss allowance	(1,828.74)	(1,344.55)
Total (A) - Net	12,454.50	7,430.30
<b>B)</b>		
(i) Secured by lien on Fixed Deposits	173.44	247.96
(ii) Unsecured	14,109.80	8,526.89
Total (B) -Gross	14,283.24	8,774.85
Less: Impairment loss allowance	(1,828.74)	(1,344.55)
Total (A) - Net	12,454.50	7,430.30
<b>C) (i) Loans in India</b>		
(i) Public Sector	-	-
(ii) Others	14,283.24	8,774.85
Total C) (i) -Gross	14,283.24	8,774.85
Less: Impairment loss allowance	(1,828.74)	(1,344.55)
Total C) (i) - Net	12,454.50	7,430.30
<b>C) (ii) Loans outside India</b>		
Total C) (ii) -Gross	-	-
Less: Impairment loss allowance	-	-
Total C) (ii) - Net	-	-
<b>Total C) (i) +C) (ii)</b>	12,454.50	7,430.30
<b>D)</b>		
standard Advances	13,204.40	8,121.31
Less: Impairment loss allowance	(918.20)	(691.01)
Total	12,286.20	7,430.30
Sub- standard Advances	1,078.84	653.53
Less: Impairment loss allowance	(910.54)	(653.53)
Total	168.30	(0.00)
Total (D) Gross	14,283.24	8,774.84
Less: Impairment loss allowance	(1,828.74)	(1,344.54)
Total (D) Net	12,454.50	7,430.30

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

Type of Borrower	31.03.2022		31.03.2021	
	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	0.09	0.00	0.06	0.00
KMPs	0.08	0.00	0.26	0.00
Related Parties	0.50	0.00	0.12	0.00



BoB Financial Solution Ltd

Notes to financial statements for the year ended 31st Mar 2022

(Figure in Rupees in millions, unless otherwise stated)

Note 8: Investments

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised cost		
Investment	-	-
Total Gross (A)	-	-
(i) Investment outside India		
(ii) Investment in India	-	-
Total B- Total (A) to tally with (B)	-	-
Less: Allowance for Impairment loss (C)		
Total Net (D)	-	-

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	98,69,425.3920	11,449.80	11,454.73
Aditya Birla Sun Life overnight fund	14,24,461.1820	919.95	920.36
Total	1,12,93,886.5740	12,369.75	12,375.09

During the year ending 31st March, 2021 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 overnight plant	55,66,009.5940	5,949.70	5,951.89
Baroda liquid fund	6,46,939.1770	1,499.93	1,502.21
Total	62,12,948.7710	7,449.63	7,454.10

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**Note 9: Other financial assets**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>To be realised within twelve months after reporting date:</b>		
Unsecured considered good		
Advance to employees	1.32	1.46
Advance Others	0.29	0.18
Advance towards Gratuity fund	0.08	0.13
Unrecovered Merchant Payment	33.37	24.11
Recoverable towards Settlement Agency	92.00	79.12
Recoverable from Oil Marketing Company	3.17	4.91
Receivable from Government	-	10.58
Insurance receivable	0.02	0.02
Interest accrued on Fixed Deposit	0.00	-
Chargeback recoverable	6.94	7.60
Less: Impairment allowance	(0.16)	(1.13)
<b>To be realised after twelve months after reporting date:</b>		
Unsecured considered good		
Security deposits	12.97	12.66
<b>Total</b>	<b>150.00</b>	<b>139.63</b>

**Note 10: Deferred Tax Assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	494.14	441.86
<b>Total</b>	<b>494.14</b>	<b>441.86</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 as on 31st March 2021	Recognised in profit and loss (expense)/ Income	Recognised in other comprehensive income	Closing balance as on 31st March 2022
Property plant and equipment	86.22	(10.33)		75.90
Provision for expenses	31.04	13.27	(1.02)	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>53.30</b>	<b>(1.02)</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 2021.

Deferred tax assets (liabilities)	opening balance as on 31st March 2020	Recognised in profit and loss (expense)/ Income	Recognised in other comprehensive income	Closing balance as on 31st March 2021
Property plant and equipment	70.14	16.09	-	86.22
Provision for expenses	22.15	9.46	(0.57)	31.04
ECL provision	182.84	185.33	-	368.17
Deferred revenue	7.03	11.19	-	18.22
Amortisation of Card acquisition cost	(44.29)	(18.99)	-	(63.28)
Processing fees	0.55	1.19	-	1.74
Debt issue expenses	-	(0.26)	-	(0.26)
<b>Total</b>	<b>238.43</b>	<b>204.00</b>	<b>(0.57)</b>	<b>441.86</b>



## 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, 2020	26.23	360.40	3.68	4.90	2.59	0.76	398.55
Additions	7.97		7.25	1.73	1.00	-	17.95
Disposals	(0.06)	(0.66)	(0.07)	(0.04)	-	-	(0.83)
At March 31, 2021	34.14	359.74	10.86	6.59	3.59	0.76	415.67
Additions	9.33	-	1.00	0.45	-	-	10.77
Disposals	(3.84)	(1.50)	(0.26)	(1.66)	-	-	(7.25)
At March 31, 2022	39.62	358.25	11.59	5.37	3.59	0.76	419.18
<b>Depreciation and impairment:</b>							
At April 01, 2020	6.62	141.19	1.31	1.22	0.16	0.31	150.81
Depreciation charge for the year	9.07	125.95	2.05	1.02	0.20	0.14	138.43
Disposals	(0.02)	(0.49)	(0.04)	(0.02)	-	-	(0.57)
At March 31, 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	22.40	356.31	6.53	2.30	0.59	0.58	388.70
<b>Net book value:</b>							
At March 31, 2021	18.47	93.09	7.53	4.36	3.23	0.31	127.00
At March 31, 2022	17.22	1.94	5.06	3.08	3.00	0.18	30.48



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

Particulars	Right-of-use Building
Gross block	
At April 01, 2020	105.35
Additions	93.51
Disposals	(110.18)
At March 31, 2021	88.68
Additions	-
Disposals	-
At March 31, 2022	88.68
Depreciation and impairment:	
At April 01, 2020	39.90
Depreciation charge for the year	28.47
Disposals	(60.98)
At March 31, 2021	7.39
Depreciation charge for the year	17.74
Disposals	-
At March 31, 2022	25.13
Net book value:	
At March 31, 2021	81.29
At March 31, 2022	63.55

**Note 13: Intangible assets under development**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital work in progress	0.63	19.91
Total	0.63	19.91

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

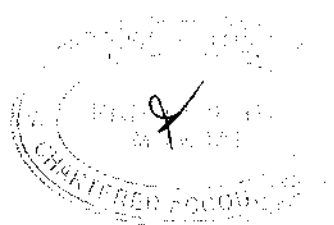
Intangible assets under development as on 31st March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.63	-	-	-	0.63
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development as on 31st March 2021	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	19.91	-	-	-	19.91
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 2022	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 2021	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-



BoB Financial Solution Ltd

Notes to financial statements for the year ended 31st Mar 2022

(Figure in Rupees in millions, unless otherwise stated)

**Note 14: Other intangible assets**

Particulars	Computer Software
<b>Gross block</b>	
Deemed cost as at April 01, 2020	13.61
Additions	24.22
Disposals	(3.71)
<b>At March 31, 2021</b>	<b>34.12</b>
Additions	157.62
Disposals	-
<b>At March 31, 2022</b>	<b>191.74</b>
<b>Accumulative amortisation and impairment:</b>	
At April 01, 2020	2.95
Amortisation for the year	2.86
Disposals	(1.05)
<b>At March 31, 2021</b>	<b>4.76</b>
Amortisation for the year	26.90
Disposals	-
<b>At March 31, 2022</b>	<b>31.65</b>
<b>Net book value:</b>	
<b>At March 31, 2021</b>	<b>29.37</b>
<b>At March 31, 2022</b>	<b>160.09</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>To be realised within twelve months after reporting date:</b>		
Unsecured considered good		
Goods & service tax credit (input) receivable	207.72	148.59
Unamortised card acquisition cost (contract asset)	90.45	58.62
Advance to Vendor	5.27	2.88
Deferred lease expenses	2.00	2.26
Prepaid expenses	19.66	13.93
<b>To be realised after twelve months after reporting date:</b>		
Unsecured considered good		
Unamortised card acquisition cost (contract asset)	216.27	158.68
Advance tax (net of Provisions for taxation and tax deducted at source)	319.68	291.71
Prepaid expenses	6.68	1.73
<b>Total</b>	<b>867.73</b>	<b>678.40</b>

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*[Handwritten signature and circular stamp]*

## Note 16: Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Payable within twelve months after reporting date:		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	15.45	1.69
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	139.07	70.54
<b>Total</b>	<b>154.52</b>	<b>72.23</b>

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed dues MSME	15.45	-	-	-	15.45
(ii) Undisputed dues- Others	132.57	3.70	2.80	-	139.07
<b>Total</b>	<b>148.02</b>	<b>3.70</b>	<b>2.80</b>	<b>-</b>	<b>154.52</b>

As at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed dues MSME	1.69	-	-	-	1.69
(ii) Undisputed dues- Others	67.60	2.94	-	-	70.54
<b>Total</b>	<b>69.29</b>	<b>2.94</b>	<b>-</b>	<b>-</b>	<b>72.23</b>

Particulars	As at 31 March 2022	As at 31 March 2021
i) Principal amount remaining unpaid	15.45	1.69
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.

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CORPORATE ACCOUNTS

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BoB Financial Solution Ltd  
Notes to financial statements for the year ended 31st Mar 2022  
(Figure in Rupees in millions, unless otherwise stated)

Note 17: Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
At Amortised Cost		
Unsecured:		
- To be settled within twelve months after reporting date:		
Liability component of compound financial instruments:		
Commercial paper	495.82	3,565.17
- To be settled after twelve months after reporting date:		
Liability component of compound financial instruments:		
Debentures	499.20	499.11
Total (A)	995.02	4,064.28
Debt securities in India	995.02	4,064.28
Debt securities outside India	-	-
Total (B) to tally with (A)	995.02	4,064.28

Particulars of Unsecured Redeemable Non Convertible Debentures

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured Redeemable Non Convertible Debentures		
7.65 % Unsecured Tier II NCD of Rs.10,00,000 each INE027208011 (Redeemable at par in March'2031)	500.00	500.00
Total	500.00	500.00
Less: Unamortized Expense	0.80	0.89
Total	499.20	499.11

Particulars of Commercial paper

Particulars	Rate of Interest	Date of maturity	As at 31 March 2022	As at 31 March 2021
Commercial Papers				
Commercial Paper - INE027214100	3.80	28-05-2021	-	1,250.00
Commercial Paper - INE027214118	3.78	29-06-2021	-	1,250.00
Commercial Paper - INE027214050	6.15	02-07-2021	-	1,100.00
Commercial Paper - INE027214209	4.40	10-06-2022	500.00	-
Total			500.00	3,600.00
Less: Unamortized discount			4.18	34.83
Total			495.82	3,565.17

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## Note 18: Borrowings other than debt securities &amp; Leased liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>At Amortised Cost</b>		
<b>Unsecured</b>		
- To be settled within twelve months after reporting date:		
(a) Finance lease obligations	17.09	14.68
(b) Loan repayable on demand		
Working capital loan		
(i) from banks	6,600.00	1,600.00
(ii) from banks (Related Party)	-	903.45
- To be settled after twelve months after reporting date:		
(a) Finance lease obligations	49.43	66.52
<b>Secured</b>		
- To be settled within twelve months after reporting date:		
(a) Loans from related parties:		
Working capital loan*	3,450.05	-
	<b>10,116.57</b>	<b>2,584.65</b>
Borrowings in India	10,116.57	2,584.65
<b>Total (B) to tally with (A)</b>	<b>10,116.57</b>	<b>2,584.65</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. 0.12 mn is lien marked against the overdraft.

## Terms of repayment:

Term loans from Banks :

Lender Name	Secured / Unsecured	Tenure (months)	As at 31 March 2022	As at 31 March 2021
HDFC Bank	Unsecured	6 months	2,500.00	-
HDFC Bank	Unsecured	9 months	500.00	-
HDFC Bank	Unsecured	12 months	1,000.00	1,000.00
Hong Kong & Shanghai Banking Corporation	Unsecured	12 months	2,600.00	600.00
Bank of Baroda	Secured	3 months	2,500.00	-
Bank of Baroda	Secured	12 months	950.05	903.45
<b>Total Borrowings other than debt securities, above</b>			<b>10,050.05</b>	<b>2,503.45</b>

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

Particulars	Opening balance	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>

## Net Debt Reconciliation for the year ended 31st March 2021

Particulars	Opening bal	Cash flow	Non Cash changes		Closing balance
			Interest / amortisation	others	
Commercial paper	-	3,565.17	-	-	3,565.17
Debenture	-	499.11	-	-	499.11
working capital loan	2,735.57	(232.11)	-	-	2,503.45
leased liabilities	67.97	-	7.34	5.89	81.20
<b>Total</b>	<b>2,803.53</b>	<b>3,832.17</b>	<b>7.34</b>	<b>5.89</b>	<b>6,648.93</b>

## Note 19: Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Liabilities to be settled within twelve months after reporting date</b>		
Advance from customers	165.71	104.47
Merchant payment on hold	21.52	20.79
Other Payable	12.52	12.15
Charge back hold	8.51	11.07
Payable to employees	4.12	0.25
Credit Balance In Cancelled Cards	2.64	1.62
Onus Chargeback	2.61	6.72
Insurance Claim Payable	-	0.28
<b>Liabilities to be settled after twelve months after reporting date</b>		
Refundable Deposit	6.01	6.30
Merchant payment on hold	7.17	6.93
<b>Total</b>	<b>230.81</b>	<b>170.58</b>

## Note 20: Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits</b>		
<b>Liabilities to be settled within twelve months after reporting date</b>		
Staff incentive	24.75	0.44
Provision for compensated absences	3.78	-
<b>Liabilities to be settled after twelve months after reporting date</b>		
Provision for compensated absences	7.49	17.67
<b>Others</b>		
<b>Liabilities to be settled within twelve months after reporting date</b>		
Provision For Expenses	485.61	336.92
Provision for Reward Point Expenses	145.04	81.33
Provision for CSR activities	-	1.91
<b>Total</b>	<b>666.67</b>	<b>438.27</b>

## Note 21: Other Non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Liabilities to be settled within twelve months after reporting date</b>		
Statutory dues payable	153.11	166.54
Unearned Income	-	1.86
Contract liability (deferment of annual fees)	59.11	62.57
<b>Total</b>	<b>212.22</b>	<b>230.97</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 2022	As at 31 March 2021
40,00,00,000 (P.Y. 40,00,00,000) Equity Shares of Rs 10/- Each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued and fully paid up		
27,50,00,000 (P.Y. 17,50,00,000) Equity Shares of Rs 10/- each fully paid up	2,750.00	1,750.00
<b>Total</b>	<b>2,750.00</b>	<b>1,750.00</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 2022		As at March 31, 2021	
	Number of shares	Rs. In million	Number of shares	Rs. In million
At the beginning of the reporting year	17,50,00,000	1,750.00	17,50,00,000	1,750.00
Issued during the year	10,00,00,000	1,000.00	-	-
At the close of the reporting year	27,50,00,000	2,750.00	17,50,00,000	1,750.00

**Details of shareholders holding of Promoters**

Promoters name	31 Mar 2022			31 Mar 2021		
	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	275	100.00%	Nil	175	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 Mar 2022		31 March 2021	
	Number in million	% holding in the class	Number in million	% holding in the class
Bank of Baroda	275	100.00%	175	100.00%

The Bank holds 27,49,99,300 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 2022	As at 31 March 2021
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	352.17	352.17
Retained Earning	(292.69)	(191.66)
<b>Total</b>	<b>59.48</b>	<b>160.51</b>

Particulars	As at 31 March 2022			As at 31 March 2021		
	Statutory Reserves	Retained Earnings	Total	Statutory Reserves	Retained Earnings	Total
Balance at the beginning of the year	352.17	(191.66)	160.51	352.17	(97.04)	255.14
Total Comprehensive Income for the year	-	3.26	3.26	-	1.39	1.39
Transfer to retained earnings	-	(104.29)	(104.29)	-	(96.01)	(96.01)
Balance at the end of the year	352.17	(292.69)	59.48	352.17	(191.66)	160.51

**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. However due to loss in the current year, the Company have not appropriate towards the statutory reserve. (previous year: Nil)



**Note 24: Interest Income**

Particulars	March 31, 2022	March 31, 2021
<b>On financial assets measured at amortised cost</b>		
Interest on Loans		
Interest on credit card loans	1,853.58	1,094.20
Other interest	0.51	0.42
<b>Total</b>	<b>1,854.09</b>	<b>1,094.62</b>

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

Particulars	March 31, 2022	March 31, 2021
Income from Fees	1,694.56	989.41
Income from Merchant Operations	1,268.75	1,237.36
Income from Debit Card Operations	-	64.81
<b>Total</b>	<b>2,963.31</b>	<b>2,291.58</b>

**Note 26: Other income**

Particulars	March 31, 2022	March 31, 2021
Income from mutual fund	5.34	4.47
Interest on Fixed Deposit	0.00	-
Liability no longer required written back	10.71	108.82
Reversal of Provision for loss due to fraud	0.79	2.33
Profit on derecognition of lease assets	-	5.56
Profit on sale of fixed assets	0.06	0.77
Miscellaneous income	0.39	0.15
Bad Debts Recovered	21.86	11.71
Balance written back	1.37	-
<b>Total</b>	<b>40.52</b>	<b>133.82</b>

**Note 27: Finance Cost**

Particulars	March 31, 2022	March 31, 2021
<b>On Financial liabilities measured at Amortised Cost</b>		
Interest on borrowings:		
Interest on borrowings from banks:	279.87	180.50
Interest on lease liability	5.17	7.34
Interest on Commercial Paper and Bonds	118.00	89.55
Interest on Debentures	38.15	2.41
<b>Total</b>	<b>441.19</b>	<b>279.80</b>

**Note 28: Impairment on financial instruments**

Particulars	March 31, 2022	March 31, 2021
<b>On Financial instruments measured at Amortised Cost</b>		
(i) Loans	484.19	672.31
(ii) Others receivable	(0.97)	(10.51)
(iii) Bad debts written off	545.62	174.86
(iv) Balance written off	-	16.17
<b>Total</b>	<b>1,028.84</b>	<b>852.83</b>

**Note 29: Employee benefit expenses**

Particulars	March 31, 2022	March 31, 2021
Salaries and wages	516.48	537.32
Contribution to provident and other funds	38.07	39.39
Staff welfare expenses	10.28	8.29
<b>Total</b>	<b>564.83</b>	<b>585.00</b>

**Note 30: Operating and Other expenses**

Particulars	March 31, 2022	March 31, 2021
Interchange fees	463.53	361.02
Business Promotion expenses	452.45	239.48
Bonus Point expenses	323.91	139.76
Scheme charges	326.59	266.97
Recovery Agent Charges	293.69	91.73
Wages & Salaries to Substaff -Contractor	258.58	379.92
Software/ I.T. Expenses	184.97	57.50
EDC Processing Charges	99.45	124.42
Royalty paid to BOB.	75.27	-
Communication Expenses	77.96	48.53
Legal and Professional	23.90	19.87
Card Verification Charges	58.14	37.54
Card issuance cost	37.05	23.79
Postage & Courier	29.82	20.76
Bank Charges	24.19	26.07
Rent	19.60	35.18
Other Administrative Expenses	29.67	12.14
Operating cost towards one card	13.97	-
Data Processing Charges	11.50	5.71
Repairs & Maintenance	10.40	5.97
Insurance Expenses	10.61	10.91
Travelling Expenses	9.76	10.06
Printing & Stationery	9.14	7.39
GPRS Connectivity Charges (POS)	9.16	16.58
Electricity Expenses	5.23	4.58
Consumption of Credit Card Plastic	5.24	3.73
Foreign Exchange Fluctuation Loss	2.61	0.59
Share Issue Expenses	-	10.87
Fixed Asset Written Off	0.77	2.74
Advertisement Expenses	0.72	0.27
Auditor remuneration:		
- as auditor	0.78	0.79
- tax audit fees	0.18	0.18
- for certification	0.76	0.40
Director's sitting fees	0.52	0.39
Consumption of Debit Card Plastic	-	18.76
Debit card Operation expenses	-	16.05
<b>Total</b>	<b>2,870.12</b>	<b>2,000.63</b>

**Note 31: Income tax**

The components of income tax expense for the year ended March 31, 2022 and year ended March 31, 2021 are:

Profit or loss section	March 31, 2022	March 31, 2021
<b>Current income tax:</b>		
Income tax - Current year	98.07	74.68
Deferred tax- Current year	(53.37)	(204.00)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>44.70</b>	<b>(129.32)</b>

Other Comprehensive Income section	March 31, 2022	March 31, 2021
Deferred tax expense recognised in Other comprehensive income	(1.09)	(0.57)
<b>Income tax expense reported in the Other Comprehensive section</b>	<b>(1.09)</b>	<b>(0.57)</b>

Reconciliation of tax expense and the accounting profit	March 31, 2022	March 31, 2021
Profit/(loss) before tax from a continuing operations	(59.59)	(225.34)
Income tax rate as on Mar 31, 2022	25.17%	29.12%
Income tax expenses	(15.00)	(65.61)
Tax effect of:		
Others adjustments	113.07	140.29
deferred tax on timing difference	(53.37)	(204.00)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>44.70</b>	<b>(129.32)</b>

\* During the financial year, Company have opted for taxation regime under section 115BAA under Income tax.

**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.

Particulars	March 31, 2022	March 31, 2021
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	25,25,34,247	17,50,00,000
Net profit for calculation of basic EPS	(104.29)	(96.01)
<b>Basic earning per share (In Rs.)</b>	<b>(0.41)</b>	<b>(0.55)</b>

**Diluted**

Weighted average number of equity shares for computation of Diluted EPS	25,25,34,247	17,50,00,000
Net profit for calculation of Diluted EPS	(104.29)	(96.01)
<b>Diluted earning per share (In Rs.)</b>	<b>(0.41)</b>	<b>(0.55)</b>

Nominal / Face Value of equity shares (In Rs.)	10.00	10.00
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**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 31 March 2022	Year ended 31 March 2021
Employers' Contribution to Employee's Provident Fund <sup>1</sup>	27.68	29.81
Employee State Insurance Corporations (ESIC)	0.30	0.70
Contribution to National Pension Scheme	2.93	2.27
Labour Welfare Fund	0.02	0.02
<b>Total</b>	<b>30.90</b>	<b>32.80</b>

<sup>1</sup> 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 March 31, 2022	As at March 31, 2021
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	44.32	36.93
Interest on defined benefit obligation	2.49	2.11
Current Service cost	7.41	6.79
Liability Transferred In/Acquisition	-	-
(Benefit Paid From the Fund)	(0.42)	-
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	(1.06)	0.33
Actuarial Losses on Obligations - Due to Experience	(3.03)	(1.84)
<b>Liability at the end of the year</b>	<b>49.70</b>	<b>44.32</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	44.45	36.73
Interest income	2.72	2.30
Contributions by the Employer	2.78	4.96
Benefit Paid From the Fund	(0.42)	-
Return on Plan Assets, Excluding Interest Income	0.26	0.45
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>49.79</b>	<b>44.45</b>

**Amount recognized in the Balance Sheet**

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of unfunded defined benefit obligation	49.70	44.32
Amount not recognized due to asset limit	(49.79)	(44.45)
<b>Net defined benefit liability / (asset) recognized in balance sheet</b>	<b>(0.08)</b>	<b>-0.13</b>
Current	(0.08)	(0.13)
Non-current	-	-

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	7.41	6.79
Interest on net defined benefit liability / (asset)	(0.23)	(0.20)
<b>Total expense charged to profit and loss account</b>	<b>7.18</b>	<b>6.59</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening amount recognized in OCI outside profit and loss account		
<b>Remeasurements during the period due to</b>		
Changes in financial assumptions	(1.06)	0.33
Changes in demographic assumptions	-	-
Return on plan assets excluding amounts included in interest income	(0.26)	(0.45)
Experience adjustments	(3.03)	(1.84)
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>(4.35)</b>	<b>(1.96)</b>

The actuarial assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	6.50% p.a.	6.05% p.a.
Expected return on plan assets	6.50% p.a.	6.05% 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	8.00% p.a for next 1 years & 6.00% p.a thereafter	8.00% p.a for next 1 years & 6.00% p.a thereafter

**Balance sheet reconciliation**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net liability	(0.13)	0.20
Expenses recognized in Statement of Profit and Loss	7.18	6.59
Expenses recognized in OCI	(4.35)	(1.96)
Employer's Contribution	(2.78)	(4.96)
<b>Net liability recognized in the Balance Sheet</b>	<b>(0.08)</b>	<b>(0.13)</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 March 31, 2022	As at March 31, 2021
Expected benefits for year 1	7.92	6.44
Expected benefits for year 2	7.30	5.95
Expected benefits for year 3	7.28	5.67
Expected benefits for year 4	6.76	5.99
Expected benefits for year 5	6.25	5.46
Expected benefits for year 6 to 10 years cash flow	20.23	18.44

**Sensitivity analysis**

Particulars	As at March 31, 2022	As at March 31, 2021
Projected benefit obligation on current assumptions		
Delta effect of +0.5% change in rate of discounting	48.58	43.24
Delta effect of -0.5% change in rate of discounting	50.88	45.45
Delta effect of +0.5% change in rate of salary increase	50.78	45.36
Delta effect of -0.5% change in rate of salary increase	48.65	43.27

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**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-22			31-Mar-21		
	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	695.97	-	695.97	158.84	-	158.84
Bank Balance other than above	0.12	-	0.12	-	-	-
Trade Receivables	202.67	35.77	238.44	309.32	54.59	363.91
Loans	12,012.92	441.58	12,454.50	7,225.75	204.55	7,430.30
Other financial assets	137.03	12.97	150.00	126.98	12.65	139.63
<b>Non-financial Assets</b>						
Inventory	-	29.64	29.64	-	1.00	1.00
Deferred tax assets (net)	-	494.14	494.14	-	441.86	441.86
Property, plant and equipment	-	30.48	30.48	-	127.00	127.00
Right-of-use assets	17.73	45.82	63.55	17.73	63.56	81.29
Intangible assets under development	0.63	-	0.63	-	19.91	19.91
Other intangible assets	-	160.09	160.09	-	29.37	29.37
Other non financial assets	325.10	542.64	867.73	226.27	452.12	678.40
<b>Total assets</b>	<b>13,392.16</b>	<b>1,793.12</b>	<b>15,185.29</b>	<b>8,064.89</b>	<b>1,406.60</b>	<b>9,471.49</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
<b>Payables</b>						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	15.45	-	15.45	1.69	-	1.69
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	139.07	-	139.07	70.54	-	70.54
Debt Securities	495.82	499.20	995.02	3,565.17	499.11	4,064.28
Borrowings (other than debt securities)	10,067.13	49.43	10,116.57	1,614.68	969.97	2,584.65
Other Financial liabilities	217.63	13.18	230.81	157.35	13.23	170.58
<b>Non-financial Liabilities</b>						
Provisions	659.18	7.49	666.67	420.60	17.67	438.27
Other non-financial liabilities	212.22	-	212.22	230.97	-	230.97
<b>Total Liabilities</b>	<b>11,806.51</b>	<b>569.30</b>	<b>12,375.80</b>	<b>6,061.00</b>	<b>1,499.98</b>	<b>7,560.98</b>
<b>Net</b>	<b>1,585.65</b>	<b>1,223.83</b>	<b>2,809.48</b>	<b>2,003.90</b>	<b>-93.38</b>	<b>1,910.51</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, 2022	March 31, 2021
Income from fees and services	2,963.31	2,291.58
Income from Consultancy	111.08	114.48
Business development incentives	27.53	28.19
<b>Total</b>	<b>3,101.92</b>	<b>2,434.25</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, 2022	March 31, 2021
Trade receivables	238.44	363.91
<b>Total</b>	<b>238.44</b>	<b>363.91</b>
To be realised within twelve months after reporting date:	202.67	309.32
To be realised after twelve months after reporting date:	35.77	54.59
Trade receivables include unbilled revenue	100.72	79.69

**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, 2022	March 31, 2021
Opening Balance	217.30	152.09
Capitalised during the year	162.50	114.10
Amortised during the year	73.08	48.88
<b>Closing balance</b>	<b>306.72</b>	<b>217.30</b>
To be realised within twelve months after reporting date:	90.45	58.62
To be realised after twelve months after reporting date:	216.27	158.68

The unamortised contract cost are disclosed in note:15 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, 2022	March 31, 2021
Opening Balance	62.57	24.16
Capitalised during the year	119.05	49.68
Amortised during the year	122.51	37.17
<b>Closing balance</b>	<b>59.11</b>	<b>62.57</b>
To be realised within twelve months after reporting date:	59.11	62.57
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, 2022	March 31, 2021
Income tax matters - appeals by Company	Nil	Nil
Claim filed against the Company in consumer court	4.46	3.63
<b>Total</b>	<b>4.46</b>	<b>3.63</b>

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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 (Trinidad & Tobago) Ltd.  
Bank of Baroda (New Zealand) Ltd.  
Bank of Baroda (Botswana) Limited  
BOB Capital Markets Limited  
Baroda Global Shared Services Ltd  
Baroda Asset Management India Limited  
Baroda Trustee India Private Limited  
Baroda Sun Technologies Ltd  
BOB (UK) Ltd.  
ii) 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  
iii) Joint venture of holding company  
India First Life Insurance Company Limited  
India Infra debt Limited

Key Management Personnel

Name	Designation
Shri Sanjay Chaddha	(Chairman)
Shri Vikramaditya S Khichi	(Nominee Director)
Shri Purshottam	(Non-executive Director)
Ms. Archana Pandey	(Non-executive Director)(upto 30th October 2021)
Shri Atul Malik	(Independent Director)(upto 30th October 2021)
Ms. Kadagatloor Venkateshmurthy Sheet	(Non-executive Director)(with effect from 01st December 2021)
Shri Sanjay Kao	(Additional Director-Independent) (with effect from 17th January 2022)
Shri Sharad Sarin	(Independent Director)
Shri Shalendra Singh	(Managing Director & CEO)
Ms. Pooja Kamani	(Chief Financial Officer)
Ms. Deepashri Cornelius	(Company Secretary)

Related Party Transactions during the year:

Particulars	Holding Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel		Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Transactions</b>						
1. MDR Subvention	67.21	61.74	-	-	-	-
2. Revenue From Debit Card Operations	-	55.50	-	9.31	-	-
3. Service Charges	474.72	411.52	-	-	-	-
4. Income from Consultancy service	111.08	114.49	-	-	-	-
5. POS Charges	14.42	68.06	-	-	-	-
6. Income from mutual fund investments	-	-	4.94	4.47	-	-
7. DST Expenses paid / (recovered)	-	(0.28)	-	-	-	-
8. Rent	1.72	15.64	-	-	-	-
9. Interest on Short term borrowings	23.70	11.86	-	-	-	-
10. Bank Charges	24.01	25.26	-	-	-	-
11. Insurance Expenses	-	-	1.35	0.27	-	-
12. Card Issuance cost	-	-	58.61	52.31	-	-
13. Director's - Employee Benefit Expenses	-	-	-	-	2.96	5.35
14. Director's - sitting fees	-	-	-	-	0.52	0.39
15. Key Managerial Persons - Employee Benefit Expenses	-	-	-	-	8.53	7.71
16. Visa Other Charges	87.04	90.50	-	-	-	-
17. Gratuity premium paid	-	-	2.78	4.96	-	-
18. Royalty for Logo	0.50	0.50	-	-	-	-
19. Royalty paid to BOB	75.27	-	-	-	-	-
20. Interest on Fixed Deposit	0.00	-	-	-	-	-
21. Data validation charges	0.19	-	-	-	-	-
<b>B. Balance Receivables at year end</b>						
1. Trade Receivables	195.26	325.14	0.13	0.26	-	-
2. Loan and advance to customer	-	-	0.50	0.12	0.16	0.33
3. Advance to vendor	-	-	(0.82)	0.02	-	-
4. Cash and cash equivalents	683.11	123.09	-	-	-	-
5. Gratuity (Life Insurance Fund)	-	-	49.79	44.45	-	-
6. Interest on FDR receivable	0.00	-	-	-	-	-
<b>C. Balance Payables at year end</b>						
1. Borrowings (other than debt securities)	3,450.05	903.45	-	-	-	-
2. Trade Payables	-	-	15.32	19.90	-	-
3. Provisions	91.72	92.62	-	12.57	-	-
4. Other financial liabilities	12.52	12.15	-	-	-	-

Note:

- a) Related parties have been identified on the basis of the declaration received by the management and other records available.  
b) 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.  
c) 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.

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**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 March 31, 2022	As at March 31, 2021
<b>Regulatory capital</b>		
Common Equity Tier1 (CET1) capital	1,814.58	1,150.70
Other Tier 2 capital instruments	673.32	611.44
<b>Total capital</b>	<b>2,487.90</b>	<b>1,762.14</b>
<b>Risk weighted assets</b>		
i) CRAR (%) / CET1 capital ratio	17.86%	19.61%
ii) CRAR - Tier I capital (%)	13.03%	12.80%
iii) CRAR - Tier II Capital (%)	4.83%	6.80%

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	2,487.90	13,929.66	17.86%	19.61%	-8.91%	
Tier I CRAR	1,814.58	13,929.66	13.03%	12.80%	1.74%	
Tier II CRAR	673.32	13,929.66	4.83%	6.80%	-28.96%	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.



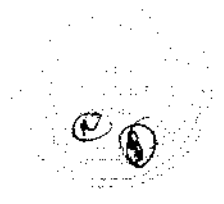
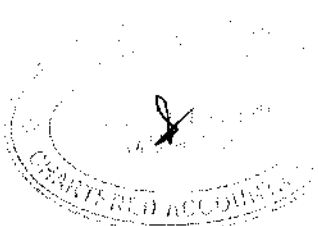
**Note 39 : Events after reporting date**

Further to the 3rd wave of COVID hitting the country in Dec21/Jan22, this did not have any material impact on the economic situation of various customer segments. Our collections efficiencies have improved to pre-pandemic levels and we do not foresee the impact of COVID in the coming months. Having said that, there are some states having a rise in COVID cases. Since this wave has not still in built in, its too early to comment on its impact on life or livelihood, or our own capabilities to collect from delinquent population, we do not foresee the need to hold any incremental provisions owing to COVID. However the extent to which the COVID induced pandemic in future will continue to impact the Company's results will depend on ongoing as well as future developments in this regard.

**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	
Particulars	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21
Revenue	1,287.21	1,343.74	3,596.11	2,137.34	2.12	66.87	111.10	114.72	4,996.53	3,662.68
Result	207.63	377.35	(260.68)	(631.99)	3.36	19.73	10.09	9.56	-59.60	-225.35
Unallocated Expense										
Operating Profit	207.63	377.35	(260.68)	(631.99)	3.36	19.73	10.09	9.56	-59.60	-225.35
Interest Income + PPI										
Profit/(Loss) before	207.63	377.35	(260.68)	(631.99)	3.36	19.73	10.09	9.56	-59.60	-225.35
Income Taxes									44.69	(129.34)
Extra-ordinary										
Net Profit before OCI adjustment									(104.28)	(96.01)
Other Information										
Segment Assets	623.55	440.88	13,295.86	7,923.60	9.15	200.25	66.49	306.08	13,995.05	8,870.79
Unallocated Assets									1,190.24	600.70
Total Assets									15,185.29	9,471.49
Segment Liabilities	134.53	208.64	1,112.34	651.13	8.96	36.06	8.39	16.23	1,264.22	912.05
Unallocated Liabilities									13,921.07	8,559.44
Total Liabilities									15,185.29	9,471.49
Capital Expenditure	36.75	8.54	28.73	33.64		0.38			65.48	42.56
Unallocated										
Depreciation/Amortis	105.60	136.28	45.54	33.17		0.10		0.21	151.14	169.76
Unallocated										
Non cash expenses	6.44	90.66	1.00	1.17	2.11	-			9.55	91.83
Unallocated										



**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, 2022	March 31, 2021
Opening net carrying balance	81.28	65.44
Additions	-	88.67
Deletion	-	(44.36)
Depreciation	(17.73)	(28.47)
Closing net carrying balance	63.55	81.28

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

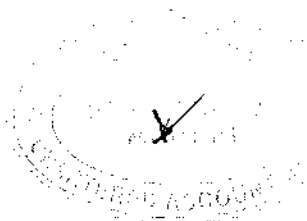
Particulars	March 31, 2022	March 31, 2021
Opening Balance	81.20	67.97
Additions	-	88.67
Deletions	-	(48.97)
Accretion of interest	5.17	7.34
Payments	(19.85)	(33.81)
Closing Balance	66.52	81.20

**Maturity analysis of undiscounted lease liability**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	March 31, 2022	March 31, 2021
Not later than one year	17.09	14.68
later than one year not later than five year	49.43	66.52
Later than five year	-	-
Total undiscounted lease liabilities	66.52	81.20

Amounts recognized in the Statement of Profit and Loss	March 31, 2022	March 31, 2021
Depreciation expense		
Depreciation on right of use assets	17.74	28.47
Other expenses		
Short-term lease rent expense	19.60	35.18
Finance cost		
Interest expense on lease liability	5.17	7.34



(Signature)

**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, 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	-	-	-	-
Receivables	-	238.44	238.44	-	-	-	-
Loans	-	12,454.50	12,454.50	-	-	-	-
Investments	-	-	-	-	-	-	-
Other financial assets	-	150.00	150.00	-	-	-	-
<b>Total</b>	-	<b>13,539.02</b>	<b>13,539.02</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	-	230.81	230.81	-	-	-	-
<b>Total</b>	-	<b>11,496.92</b>	<b>11,496.92</b>	-	-	-	-

As at March 31, 2021

Particulars	Carrying value			Fair Value			
	FVTPL	Amortised cost	Total	Level I	Level II	Level III	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	158.84	158.84	-	-	-	-
Bank balance other than above	-	-	-	-	-	-	-
Trade receivables	-	363.91	363.91	-	-	-	-
Loans	-	7,430.30	7,430.30	-	-	-	-
Investments	-	-	-	-	-	-	-
Other financial assets	-	139.63	139.63	-	-	-	-
<b>Total</b>	-	<b>8,092.68</b>	<b>8,092.68</b>	-	-	-	-
<b>Financial liabilities</b>							
Trade Payables	-	72.23	72.23	-	-	-	-
Debt securities	-	4,064.28	4,064.28	-	-	-	-
Borrowings (other than debt securities)	-	2,584.65	2,584.65	-	-	-	-
Other financial liabilities	-	170.58	170.58	-	-	-	-
<b>Total</b>	-	<b>6,891.74</b>	<b>6,891.74</b>	-	-	-	-

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#### Note 43: Risk Management

##### Introduction and Risk Profile

Company started 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 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 improvement in approval rates 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 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%
Total		14,283.24	1,828.74	12,454.50	

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As on 31st March 2021

Category	Assets category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1	Credit card	7,693.81	596.97	7,096.85	0.50% to 6.77%
Stage 2	Credit card	427.50	94.05	333.45	2.45% to 29.56%
Stage 3	Credit card	653.53	653.53	-	100%
Total		8,774.84	1,344.55	7,430.30	

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

As at March 31, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
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
Non-performing				
Individually impaired (90 DPD and above, restructured assets)	-	-	1,078.84	1,078.84
Total	12,644.85	559.55	1,078.84	14,283.24

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade (0 DPD)	7,083.51	-	-	7,083.51
Standard grade (1-30 DPD)	610.31	-	-	610.31
Sub-standard grade (31-60 DPD)	-	227.76	-	227.76
Past due but not impaired (61-89 DPD)	-	199.74	-	199.74
Non-performing				
Individually impaired (90 DPD and above, restructured assets)	-	-	653.53	653.53
Total	7,693.81	427.50	653.53	8,774.84

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

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	7,693.81	427.50	653.53	8,774.84
New assets originated or purchased*	7,097.63	591.49	878.79	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

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	4,035.88	382.28	284.39	4,702.55
New assets originated or purchased*	4,183.15	222.50	(9.47)	4,396.18
Assets derecognised or repaid (excluding write offs)	(127.57)	(3.28)	(18.01)	(148.85)
Transfers to Stage 1	123.60	(123.58)	(0.03)	0.00
Transfers to Stage 2	(168.12)	168.12	-	-
Transfers to Stage 3	(352.93)	(218.55)	571.48	(0.00)
Changes to contractual cash flows due to modifications not resulting in derecognition				
Amounts written off	(0.21)	-	(174.83)	(175.03)
Gross carrying amount as at March 31, 2021	7,693.81	427.50	653.53	8,774.84

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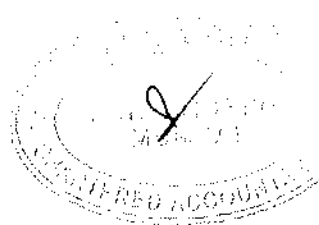
Reconciliation of ECL balance

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at March 31, 2021	595.97	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
Reversal of COVID overlay	-	-	-	-
Impact on year end ECL of Exposures transferred between stages during the year	-	-	-	-
Transfers to Stage 1	51.23	(62.67)	(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	805.81	109.39	910.54	1,828.74

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	300.12	87.63	284.49	672.24
Assets derecognised or repaid	(6.99)	(0.37)	(18.01)	(25.37)
New assets originated	327.03	72.76	493.85	893.43
COVID overlay	(10.72)	(10.13)	-	(20.84)
Impact on year end ECL of Exposures transferred between stages during the year	-	-	-	-
Transfers to Stage 1	22.71	(22.68)	(0.03)	(0.00)
Transfers to Stage 2	(9.97)	9.97	-	-
Transfers to Stage 3	(25.13)	(43.13)	68.26	(0.00)
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(0.08)	-	(174.83)	(174.91)
Impairment allowance for loans to customers as at March 31, 2021	595.97	94.05	653.53	1,344.55



(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.

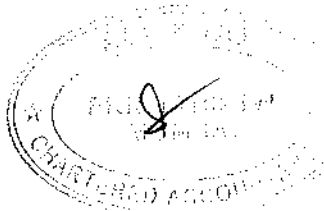
The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and

31 March 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	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	87.88	12.97	-	-	150.00
<b>Total undiscounted financial assets</b>	<b>696.09</b>	<b>7,182.10</b>	<b>2,453.51</b>	<b>987.75</b>	<b>1,079.94</b>	<b>649.31</b>	<b>321.97</b>	<b>168.35</b>	<b>-</b>	<b>13,539.02</b>
<b>Financial liabilities</b>										
Trade Payables	-	108.17	30.90	15.45	-	-	-	-	-	154.52
Debt securities	-	-	-	495.82	-	-	-	-	499.20	995.02
Borrowings (other than debt securities)	-	190.01	-	2,500.00	2,500.00	4,100.00	760.04	-	-	10,050.05
Other financial liabilities	-	191.23	6.10	7.90	6.24	6.16	13.18	-	-	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>499.20</b>	<b>11,430.40</b>

31 March 2021

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	158.84	-	-	-	-	-	-	-	-	158.84
Bank balance other than above	-	-	-	-	-	-	-	-	-	-
Receivables	-	40.03	54.59	54.59	127.37	32.75	54.59	-	-	363.91
Loans	-	4,225.36	1,490.95	593.95	583.46	332.03	204.55	-	-	7,430.30
Investments	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	39.57	-	-	4.91	82.49	12.65	-	-	139.63
<b>Total undiscounted financial assets</b>	<b>158.84</b>	<b>17.51</b>	<b>1,545.54</b>	<b>648.54</b>	<b>715.74</b>	<b>447.27</b>	<b>271.80</b>	<b>-</b>	<b>-</b>	<b>8,092.68</b>
<b>Financial liabilities</b>										
Trade Payables	-	23.82	24.20	16.13	8.07	-	-	-	-	72.23
Debt securities	-	-	1,242.68	1,238.60	1,063.90	-	-	-	499.10	4,064.28
Borrowings (other than debt securities)	-	805.55	400.00	-	-	600.00	697.90	-	-	2,503.45
Other financial liabilities	-	125.99	7.16	10.17	7.94	6.10	13.22	-	-	170.58
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>955.36</b>	<b>1,674.04</b>	<b>1,264.90</b>	<b>1,099.91</b>	<b>606.10</b>	<b>711.12</b>	<b>-</b>	<b>499.10</b>	<b>6,810.54</b>



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**BoB Financial Solution Ltd**

Notes to financial statements for the year ended 31st Mar 2022  
(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.

Financial Assets	As March 31, 2022	As March 31, 2021
Fixed-rate instruments	12,454.50	7,430.30
Floating-rate instruments	-	-
<b>total</b>	<b>12,454.50</b>	<b>7,430.30</b>

Financial Liabilities	As March 31, 2022	As March 31, 2021
Fixed-rate instruments	995.02	499.11
Floating-rate instruments	10,050.05	5,165.17
<b>total</b>	<b>11,045.06</b>	<b>5,664.28</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, 2022		As March 31, 2021	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Impact on profit	(81.24)	81.24	(45.10)	45.10

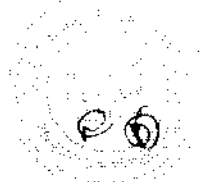
**(d) Operational risk**

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, 2022	March 31, 2021
<b>Income in foreign currency</b>		
Income from credit card International operation, Currency conversion charges, Business Development Incentive income	23.61	29.72
<b>Total</b>	<b>23.61</b>	<b>29.72</b>
<b>Expenditure in foreign currency</b>		
Scheme charges	309.84	263.96
<b>Total</b>	<b>309.84</b>	<b>263.96</b>



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 31.03.2022	As At 31.03.2021
Provision at the beginning of the year	81.33	42.25
Add: Addition made during the year	323.64	139.66
Less:- Amount used during the year	259.93	100.59
Less:- Unused amounts reversed during the year	-	-
Amount at the end of the year	145.04	81.33

46 Interchange fees paid during the financial year is net of Rs. 23.80 mn on account of the input tax credit claim pertaining to financial year 2021-22 is under review with Bank of Baroda.

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.

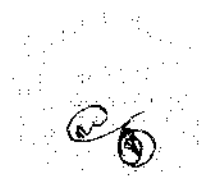
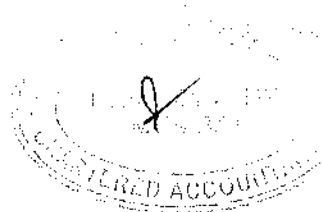
48 Previous Year's figures have been regrouped, and/ or rearranged and/ or reclassified wherever necessary to make them comparable with current year's figures.

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 2022		As at 31st March 2021	
	<b>Liabilities side</b>				
	<b>Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid.</b>	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	a) Debenture: Secured	Nil	Nil	Nil	Nil
	Unsecured	499.20	Nil	499.11	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 loan	10,116.57	Nil	2,584.65	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 2022</b>	<b>As at 31st March 2021</b>
	<b>Assets side</b>				
	<b>Break-up of Loans &amp; Advances including bills receivables (other than those included in (4) below):</b>			Amount outstanding	Amount outstanding
3	a) Secured			173.44	247.96
	b) Unsecured			14,109.80	8,526.89
	<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

Notes to financial statements for the year ended 31st Mar 2022  
(Figure in Rupees in millions, unless otherwise stated)

	<u>Break-up of Investments</u>	As at 31st March 2022		As at 31st March 2021	
	Current Investment				
	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	
5	v) others (please specify)	Nil		Nil	
	Long Term Investment				
	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	
	<u>Borrower group-wise classification of assets financed as in (2) and (3) above:</u>				
	Category	As at 31st March 2022		As at 31st March 2021	
		Secured	Unsecured	Secured	Unsecured
6	1) Related parties				
	i) Subsidiaries	Nil	Nil	Nil	Nil
	ii) Companies in the same group	Nil	0.50	Nil	0.12
	iii) Other related party	Nil	Nil	Nil	Nil
	2) Other than related parties	173.44	14,109.31	247.96	8,526.77
	<u>Investor group-wise classification of all Investments (current and long term) in share and securities (both quoted and unquoted):</u>				
	Category	As at 31st March 2022		As at 31st March 2021	
		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)
7	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





Notes to financial statements for the year ended 31st Mar 2022  
(Figure in Rupees in millions, unless otherwise stated)

8	Other information		
	Particulars	31st March 2022	31st March 2021
	Gross Non-performing Assets		
	i) Related Parties	Nil	Nil
	ii) Other than related parties	1,078.84	653.53
	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

50 Disclosure of Restructured Accounts : Not applicable

51

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
Performing Assets						
Standard	Stage 1	12,644.85	724.16	11,920.69	53.67	670.49
	Stage 2	559.55	109.39	450.16		109.39
Subtotal		13,204.40	833.55	12,370.85	53.67	779.88
Non-Performing Assets (NPA)						
Loss	Stage 3	1,078.84	910.54	168.30	788.14	122.40
Sub total of NPA		1,078.84	910.54	168.30	788.14	122.40
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.	Stage 1	1,572.16	84.65	-	-	84.65
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		1,572.16	84.65	-	-	84.65
Total	Stage 1	14,217.01	808.81	13,408.20	53.67	755.14
	Stage 2	559.55	109.39	450.16	-	109.39
	Stage 3	1,078.84	910.54	168.30	788.14	122.40



- 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, 2022	March 31, 2021
CRAR (%)	17.86%	19.61%
CRAR - Tier I Capital (%)	13.03%	12.80%
CRAR - Tier II Capital (%)	4.83%	6.80%
Amount of subordinated debt raised as Tier-II capital	500.00	500.00
Amount raised by Issue of Perpetual Debt Instruments	Nil	Nil

2 Investments

Particulars	March 31, 2022	March 31, 2021
i) Value of Investments		
ii) Gross Value of Investments		
In India	Nil	Nil
Outside India	Nil	Nil
iii) Provisions for Depreciation		
In India	Nil	Nil
Outside India	Nil	Nil
iv) Net Value of Investments		
In India	Nil	Nil
Outside India	Nil	Nil
2) Movement of provisions held towards depreciation on Investments		
Opening balance	Nil	Nil
Add : Provisions made during the year	Nil	Nil
Less : Write-off / write-back of excess provisions during the year	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 NBFCs:- 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 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									-

\*\* 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 )

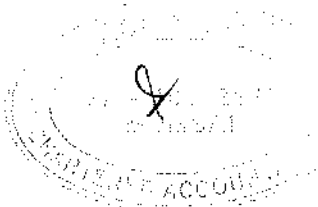
Maturity pattern of certain items of Assets and Liabilities as at 31st March 2021

	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	780.69	400.00	-	-	600.00	722.76	-	-	2,503.45
Market borrowings	-	1242.65	1238.59	1083.95	-	-	-	499.10	4,064.28
Receivables#	4,225.36	1,490.95	593.95	583.46	332.03	204.55	-	-	7,430.30
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)



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7 i) Exposures To Real Estate Sector

Direct Exposure	March 31, 2022	March 31, 2021
<b>Residential Mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or	Nil	Nil
<b>Commercial Real Estates -</b>		
Lending secured by mortgage on commercial real estates (office buildings, retail space, multipurpose	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, 2022	March 31, 2021
direct investment in equity shares, convertible bonds, convertible debentures and units of equity-	Nil	Nil
advances against shares / bonds / debentures or other securities or on clean basis to individuals for	Nil	Nil
advances for any other purposes where shares or convertible bonds or convertible debentures or units	Nil	Nil
advances for any other purposes to the extent secured by the collateral security of shares or convertible	Nil	Nil
secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and	Nil	Nil
loans sanctioned to corporates against the security of shares / bonds / debentures or other securities 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 2021-22.

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 2021-22.

10 Company has not sanctioned any loan against the intangible security during the financial year 2021-22.

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 2021-22, BFSI have paid Rs.2000/- as penalty to RBI & Rs.1000/- 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 and India Rating & Research Pvt. Ltd. The long term debt rating is AAA/stable by India Rating & Research Pvt. Ltd and ICRA. There is no change in the rating during FY 2021-22.

(vii) Revenue Recognition:-

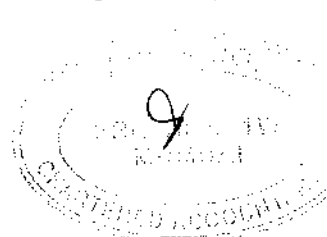
For Revenue Recognition please refer note no. 3(1).

12 i) Provisions and Contingencies

Break up of Provisions	March 31, 2022	March 31, 2021
Provisions for depreciation on Investment	Nil	Nil
Provision towards stage 3 assets	910.54	653.53
Provision for stage 1 and stage 2 assets	918.20	691.02
Provision made towards Income tax	679.82	657.57
Other Provision and Contingencies (with details)	-	-
Provision for reward points	145.04	81.33
Provision for Gratuity	-	-
Provision for fraud	4.36	5.15
Provision for Leave encashment	7.48	17.67
Provision for Staff Incentive	24.75	0.44
Provision for Expenses	485.61	336.92
Provision for CSR Expenses	-	1.91

Note: No provision has been made for contingencies. Refer note no 36.

ii) There is no draw down from the reserve during the financial year 2021-22.



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III) a) Concentration of Advances

Particulars	March 31, 2022	March 31, 2021
Total advance of largest twenty borrowers*	32.27	29.63
percentage of Advance to largest twenty borrowers to total advances of	0.23%	0.34%

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

III) b) Concentration of Exposure

Particulars	March 31, 2022	March 31, 2021
Total Exposure to largest twenty borrowers *	77.80	102.55
percentage of exposure to twenty largest borrowers to total advances of	0.54%	1.17%

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

III) c) Concentration of NPAs

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top four NPA accounts*	7.32	5.90

\* 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, 2022	March 31, 2021
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	7.55%	1,078.84	653.53

iv) Movement of NPAs

Particulars	March 31, 2022	March 31, 2021
i) Net NPAs to Net Advances (%)	Nil	Nil
ii) Movement of NPAs (Gross)		
Opening balance	653.53	284.49
Add:- Additions during the year	1,587.91	588.06
Less:- Written off as Bad Debts	531.00	174.86
Less:- Reductions during the year	641.60	44.16
Closing balance	1,078.84	653.53
iii) Movement of Net NPAs		
Opening balance	290.71	Nil
Add:- Additions during the year	Nil	Nil
Less:- Reductions during the year	Nil	Nil
Closing balance	290.71	Nil
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	653.53	284.49
Add:- Provisions made during the year	1,307.20	588.06
Less:- Written off as Bad Debts	530.99	174.86
Less:- write-back of excess provisions	641.60	44.16
Closing balance	788.14	653.53

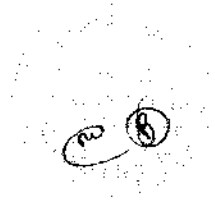
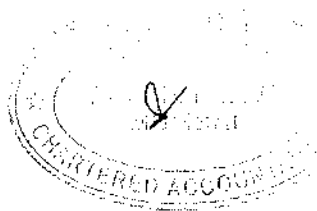
13 The company does not have any joint venture or overseas subsidiaries.

14 Off-balance Sheet SPVs sponsored:-

There is no off-balance sheet SPVs sponsored by the Company during the year ended 31st March 2021.

15 Disclosure of customer Complaints

Particulars	March 31, 2022	March 31, 2021
No. of complaints pending at the beginning of the year	294	2,076
No. of complaints received during the year	1,05,748	61,459
No. of complaints redressed during the year	1,05,263	63,241
No. of complaints pending at the end of the year	779	294



16 Public disclosure on liquidity risk as at 31st March 2022

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.	10,695.65	N.A.	86.42%

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

ii) Top 20 large deposits :- Not Applicable

iii) Top 10 borrowings

Name of the bank	Amount	% to total borrowing
HDFC Bank	4,000.00	36.22%
Bank of Baroda	3,450.05	31.24%
Hongkong & Shanghai Banking Corporation	2,600.00	23.54%
Mirae Asset Mutual Fund	495.80	4.49%
Bank Of Baroda Provident Fund Trust	149.80	1.36%
WB State Electricity Transmission Co Limited Employees' Pension Fund	99.80	0.90%
HVPNL Employees Pension Fund Trust	89.90	0.81%
Bank Of Baroda (Employees) Pension Fund	49.90	0.45%
Board Of Trustees For Bokaro Steel Employees Provident Fund	49.90	0.45%
Lupin Ltd Employees Provident Fund Trust	20.00	0.18%
Total	11,005.15	99.64%

iv) funding Concentration based on significant counterparty

Name of Instrument / product	Amount	% of Total Liability
Bank lines	10,050.05	81.21%
Commercial paper	495.82	4.01%
NCD	499.11	4.03%

(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.	3.27%	4.01%
2	Non- Convertible Debentures (original maturity <1 years)	N.A.	N.A.	N.A.
3	Other Short term liabilities	N.A.	66.18%	81.21%

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.

As per our report of even date

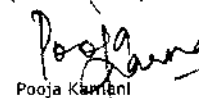
For ASL & Co.  
Chartered Accountants  
[Firm Registration No. 101921W]

  
Shikha Jain  
Partner  
(Membership No. 136484)

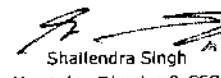
Place: Mumbai  
Date: 04th May 2022.


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

  
Sanjiv Chadha  
Chairman  
(DIN:08368448)

  
Pooja Kamani  
Chief Financial Officer  
(PAN:AHEPB7049P)

Place: Mumbai  
Date: 04th May 2022.

  
Shailendra Singh  
Managing Director & CEO  
(DIN: 08623335)

  
Deepashri Cornelius  
Company Secretary  
(PAN:8VLP3134E)



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**CORRIGENDUM**

This corrigendum is in respect of our Independent Audit Report of BOB Financial Solutions Limited for the financial year 2021-2022 signed by us on 04<sup>th</sup> May, 2022 wherein few typing errors were noticed : -

1 . Page 4 - Clause 1 under Report on Other Legal and Regulatory Requirements of independent audit report . It should be read as under : -

“As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure “A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. “

2 . Annexure “A” para 1 . It should be read as under: -

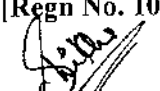
“On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under. Matters specified in clauses (i)(c) (e),(iii)(a)(c),(vi),(viii), (ix) (e) (f),(xi) (b) (c),(xii), (xv), (xvi)(b) (c) (d), (xvii), (xviii), (xx) & (xxi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2020 do not apply to the Company. Accordingly no comments have been made on the matters not applicable to the company”

3 . Annexure “B” to the Independent Auditors’ report Serial No. 1. It should be read as under: -

S. No.	Directions	Reply
1 .	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanation given to us and based on the examination of records on the test check basis , the Company has system in place to process all the accounting transaction through IT system.

All other information in our Independent Auditor report remains unchanged. Kindly find herewith the rectified pages of our report duly certified by us.

For ASL & Co.  
Chartered Accountants  
[Regn No. 101921W]

  
(Shikha Jain)  
Partner

Place : Mumbai  
Date July 20, 2022

-: 4 :-

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in the Annexure "B".
3. As required by Section 143(3) of the Act, we report that:
  - (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c). The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d). In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e). On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f). With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "C".
  - (g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**Annexure “A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of the Independent Auditors’ report of even date on the Financial Statements of BOB Financial Solutions Limited for the Year Ended 31<sup>st</sup> March 2022.**

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under. Matters specified in clauses (i)(c) (e),(iii)(a)(e),(vi),(viii), (ix) (e) (f),(xi) (b) (c),(xii), (xv), (xvi)(b) (c) (d), (xvii), (xviii), (xx) & (xxi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2020 do not apply to the Company. Accordingly no comments have been made on the matters not applicable to the company.

**( i )**

- ( a ) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- ( b ) The company has maintained proper records showing full particulars of intangible assets.
- ( c ) As per the information and explanations given to us, fixed assets have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
- ( d ) The company has not revalued its Property, Plant and Equipment during the year.

**( ii )**

- ( a ) As per the information and explanations given to us, the inventory has been physically verified by the management during the year at reasonable intervals. According to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of Inventory were noticed on verification between the physical stock and the book records.
- ( b ) As per information and explanations given to us, and to the best of our knowledge and belief, during the year under review, the company has been sanctioned working capital limit in excess of ₹ 50 million from bank on the basis of security of the current assets. As informed to us , the same was disbursed on the last day of the year under review and the filing of the quarterly statements and returns , of the currents assets secured, was not due till the year end.

**( iii )**

According to information and explanations given to us, and to the best of our knowledge and belief, and based on examination of the books and records, during the year under review the Company has not provided any guarantee and security to any parties; but the company has made investments and granted loans and advances in the nature of loans, secured and unsecured during it normal course of business.



**Annexure “B” to the Independent Auditors’ report of even date on the Financial Statements of BOB Financial Solutions Limited for the Year Ended 31<sup>st</sup> March 2022.**

**Directions under section 143 (5) of the Companies Act, 2013**

We have examined the books of accounts of the **BOB Financial Solutions Limited** for the year ended March 31, 2022 and we are submitting our comments and answers to the questions asked in the directions issued by the Comptroller & Auditor General of India, according to the best of our information and explanations given to us by the management and as appears from the examination of the books of accounts and records produced before us by the Company, which are as under.

S. No.	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanation given to us and based on the examination of records on the test check basis, the Company has system in place to process all the accounting transaction through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is Government company, then its direction is also applicable for statutory auditor of lender company).	Based on our audit procedures and on the basis of information and explanations given to us, no restructuring of any existing loan facility and no case waiver/write off from the Company’s lender in respect of loan facility during the year under review reported.
3.	Whether funds (grant/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information & explanation given to us and the records produced before us, no funds (grant/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies during the year under review. Reimbursement receivable under the