FINOVA CAPITAL PRIVATE LIMITED

05TH ANNUAL REPORT
2019-2020

Corporate Information:

Board of Directors	Mr. Mohit Sahney- Managing Director & CEO DIN: 07280918 Mrs. Sunita Sahney- Whole Time Director DIN: 02395354 Mr. Ishaan Mittal- Nominee Director DIN: 07948671 Mr. Ravi Shankar Venkataraman Ganapathy Agraharam-Nominee Director DIN: 02604007 Mr. Arjun Dan Ratnoo- Independent Director DIN: 00802613 Mr. Aditya Deepak Parekh-Nominee Director DIN: 02848538
Company Secretary	Ms. Garima Jhamnani
Private Equity Partners	SCI Investments V Faering Capital India Evolving Fund II Faering Capital India Evolving Fund III
Statutory Auditors	M/s. S R Batliboi and Associates LLP Chartered Accountants
Secretarial Advisors	M/s. V. M. & Associates Company Secretaries
Registered Office	702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 Contact: +91141-4118202

	Website: www.finova.in E-mail: info@finova.in
Corporate Office	Fourth Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 Contact: +91141-4118201 E-mail: info@finova.in
Corporate Identity Number	U65993RJ2015PTC048340

NOTICE

Notice is hereby given that 05th Annual General Meeting ("AGM/Meeting") of the members of **Finova Capital Private Limited** will be held on Monday, the **20th day of July, 2020** at **11.00 A.M**. at the corporate office of the Company situated at Fourth Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021, (Raj.) to transact the following business:

ORDINARY BUSINESS:

1) To adopt the Audited Financial Statements for the year ended on 31st March, 2020 together with the reports of Board of Directors and Auditors thereon.

DATE: 18.06.2020
PLACE: JAIPUR

BY ORDER OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
GARIMA JHAMNANI
COMPANY SECRETARY
M. NO.: 43137
Regd. Office: 702, Seventh Floor, Unique Aspire,
Plot No. 13-14, Cosmo Colony, Amrapali Marg,
Vaishali Nagar, Jaipur-302021

<u>Notes</u>:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. The duly stamped, filled and signed instrument appointing the proxy should, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

4. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.

5. A copy of Audited Financial Statements of the Company for the year ended on 31st March, 2020 together with the Reports of Board of Directors and Auditors thereon is enclosed herewith.

6. All 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 10.00 A.M. to 5.00 P.M. up to the date of this AGM.

7. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days in advance, so as to enable the Management to keep the information ready at the meeting.

8. The Registers of Directors and Key Managerial Personnel (KMP) and their shareholding and Register for Contracts or Arrangements in which Director are interested, maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at the AGM.

9. The route map showing the direction to reach the venue of AGM is attached at the end of the Report.

DATE: 18.06.2020
PLACE: JAIPUR

BY ORDER OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
GARIMA JHAMNANI
COMPANY SECRETARY
M. NO.: 43137
Regd. Office: 702, Seventh Floor, Unique Aspire,
Plot No. 13-14, Cosmo Colony, Amrapali Marg,
Vaishali Nagar, Jaipur-302021

BOARD'S REPORT

To
The Shareholders,
FINOVA CAPITAL PRIVATE LIMITED

Your Directors have pleasure to present the 05th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

1) FINANCIAL PERFORMANCE OF THE COMPANY:

The Company's financial performance for the year ended on 31st March, 2020 is summarized below:

PARTICULARS	**(Rs. in lakhs)**	
	2019-20	**2018-19**
Income:		
Revenue from operations	8,334.47	4065.80
Other Income	807.44	238.97
Total Income	**9,141.92**	**4304.78**
Total Expenditure	**7,683.96**	**3364.15**
Profit / (Loss) before Tax	1,457.95	940.63
Less: Tax expenses	329.48	239.03
Net Profit after Tax	**1,128.47**	**701.60**

2) BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR:

Overview

The Company was incorporated on 24th September, 2015 at Jaipur, Rajasthan as a private limited Company under the provisions of the Companies Act, 2013. Pursuant to a certificate issued by the Reserve Bank of India ("RBI") on 02nd March, 2016, the Company was permitted to commence operations as non-banking financial company ("NBFC") under Section 45IA of the Reserve Bank of India Act, 1934.

The Company is mainly engaged in the business of Non-Banking Financing Activities and has maintained a close emphasis on increasing the revenue model. In order to build a good-quality loan book, the Company endeavours to adopt superior underwriting practices backed by robust monitoring and recovery mechanisms. Your Company is always committed towards improving efficiency in all its processes and service levels for its customers. During the financial year under review, your Company has delivered yet another year of resilient performance, which is reflected in the Company's financial snapshot.

Operational Results

During the F.Y. 2019-20, the company has recorded Total Income of Rs**. 9141.92 Lakhs** as against **Rs. 4304.78 Lakhs** in F.Y. 2018-19, an increase of about 112%. The total income comprised income from financing activities of Rs. 8334.47 Lakhs and Other Income of Rs. 807.44 Lakhs.

During the financial year, the Company's profit after tax ("PAT"), increased by about 61% i.e. from Rs. 701.60 Lakhs to Rs. 1128.47 Lakhs

During the F.Y. 2019-20, total expenditure were Rs. 7683.96 Lakhs as against Rs. 3364.15 Lakhs in F.Y. 2018-19. The increase is on account of operation costs, Employee costs owing to increase in manpower strength to support growth in the business, higher borrowings in line with the growth in loan portfolio.

Asset Under Management ("AUM")

During the financial year under review, your Company has shown growth in Asset Under Management ("AUM") from Rs. 24510 Lakhs to Rs. 39684 lakhs with an annual growth of 62%. Your Company has granted no loan against the Collateral of Gold Jewellery.

Performance Review

Finova Capital is emerging as the leading Financial Solution provider and a one-step solution for customer providing a suite of financing solutions across properties/assets. The Company also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers.

During the year, the Company further has expanded its geographical presence by reaching out to the villages and cities of the states of Madhya Pradesh and Uttar Pradesh and increased its footprint by opening new branches and making it more accessible to its customers.

3) RESERVES

Since the Company is a Non-Banking Financial Company registered with Reserve Bank of India (RBI), therefore as per section 45IC of RBI Act 1934, the Company has transferred Rs. 2,25,69,444/- (Rupees Two Crores Twenty-Five Lakhs Sixty-Nine Thousand Four Hundred and Forty-Four Only) in statutory reserve fund i.e. aggregating to 20% of its net profit during the Financial Year 2019-20.

Further, your Board of Directors does not propose to transfer any amount to general reserves.

4) DIVIDEND

In order to fulfil the long-term requirements and enhancing the growth of business, your directors appraise to conserve the resources of the Company. Accordingly, your Directors do not recommend any dividend for the financial year ended on 31st March, 2020.

5) MATERIAL CHANGES AND COMMITMENTS

The details of material changes and commitments affecting the financial position of the company, which occurred between end of financial year to which the financial statements relate and date of this report is mentioned as below:

- **GLOBAL HEALTH PANDEMIC-COVID-19**

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease, the branch offices including the corporate office of the Company have been operating with minimal or no staff for extended period of time. To effectively respond to and manage our operations through this crisis, the Company triggered its business continuity plan. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being.

The Company has worked with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation.

Several initiatives were rolled out to make teams and managers effective while working from different locations. However, The Company has now implemented a phased and safe return-to-work plan since lockdown restrictions are relaxed. The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment.

6) CREDIT RATING

During the year under review, the long term rating of the Company was upgraded by CARE RATING Limited (Rating Agency) from CARE BBB-; (Triple BBB minus; Outlook: Stable) to CARE BBB with a stable outlook. Further, the Company has also received its rating from Acuite Ratings & Research Limited and the details of which are as follows:

Instrument	Rating
Long Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable) (Investment Rating)
Long Term Bank Facilities	ACUITE BBB+/ Stable (Triple B Plus); Outlook: Stable

The ratings continue to reflect your Company's healthy earning profile, adequate capitalization, strong net worth base, and steady improvement in its scale of operations. The assigned ratings are a positive reflection of Company's leadership position in affordable MSME segment, its experienced management team and strong brand equity in the regional markets where it has presence. The rating also derives strength from comfortable liquidity and resource profile and adequate risk management & control systems put in place by the Company as well as good growth opportunities in the affordable MSME segment.

7) **SHARE CAPITAL**

The Authorized Share Capital as on 31st March 2020 is Rs. 71,00,00,000/- (Rupees Seventy-One Crores) and the Paid-up share Capital of the Company as on 31st March, 2020 is Rs. 66,49,49,116/- (Rupees Sixty-Six Crores Forty-Nine Lakhs Forty-Nine Thousand One Hundred and Sixteen).

During the financial year under review, there has been no change in the Share Capital structure of the Company.

8) **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. **Changes in Directors:**

During the financial year under review, there has been no changes made in the directorships of the Company.

B. **Changes in Key Managerial Personnel:**

During the financial year under review, there has been no changes made in the Key Managerial Personnel of the Company.

C. **Declaration by an independent Director(s)**

The Company has received necessary declaration from the Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

9) **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year under review, the Board of the Directors of the Company met 04 (Four) times on 12.06.2019, 25.09.2019, 19.12.2019 and 24.03.2020.

The frequency and the quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and Secretarial Standard-1. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Secretarial Standard-1.

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

10) **STATUTORY AUDITORS:**

M/s S.R. BATLIBOI AND ASSOCIATES LLP**,** Chartered Accountants, (FRN: 101049W/E300004) were appointed as Statutory Auditors of the Company, in the AGM held on 17.07.2018, for a period of 5 (five) years to hold office upto 8th AGM of the Company.

As per the provisions of the Companies (Amendment) Act, 2017 notified with effect from 7th May, 2018, there is no requirement for ratification of appointment of statutory auditors at every Annual General Meeting of the Company and therefore, the Board has not proposed the ratification of appointment of the said auditor at the ensuing AGM of the Company. However, your Directors have noted the confirmation received from M/s S.R. Batliboi & Associates LLP, Chartered Accountants, to the effect that their appointment is in compliance of Sections 139 and 141 of Act and rules made thereunder.

11) AUDITOR'S REPORT:

Your Directors are pleased to inform that there is no reservation, qualification or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at 31st March, 2020. Information referred in Auditor's Report are self-explanatory and do not call for any further comments.

The Auditors have not reported any incident of fraud in the Company for the year under review under section 143(12) of the Companies Act, 2013.

12) PARTICULARS OF EMPLOYEES:

In terms of the provisions of Rules 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2016, the names and details of the employees drawing remuneration in excess of the limits set out in the said rules are mentioned below:

Name	Designation	Nature of Employment	Remuneration (P.A. in INR)	Age
Mohit Sahney	Managing Director & CEO	On Roll	*1,62,72,000/-	45 Yrs

*Remuneration includes bonus for F.Y. 2018-19 paid during the F.Y. 2019-20, amounting to Rs. 50,40,000/- (Rupees Fifty Lakhs and Forty Thousand) Only.

13) EXTRACT OF THE ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of The Companies (Management and Administration) Rules, 2014, an extract of annual return in form no. MGT-9 forms part of this Report as **ANNEXURE I.**

14) EMPLOYEE STOCK OPTION PLAN 2018 ("ESOP 2018")

During the year under review, the Company has granted 78,500 (Seventy-Eight Thousand and Five Hundred) Employee Stock Options to its employees pursuant to the consent obtained by the members of the Company in EOGM held on 26.10.2018.

The details of vesting of scheme is as follows:

ESOP Scheme	% of vesting option
ESOP Scheme 2018	20% of total options granted at the end of first year from the grant date 20% of total options granted at the end of second year from the grant date. 30% of total options granted at the end of third year from the grant date. 30% of total options granted at the end of forth year from the grant date.
Total	**100%**

The Details/Summary of ESOP Scheme as on 31st March, 2020 is as under:

Particulars	**ESOP Scheme 2018**		
Date of shareholders' approval	26th October, 2018		
Total number of options approved	2,11,642		
	Grant I	Grant II	Grant III
Total number of options granted	1,03,900	23,000	78,500
Total number of options vested	14,760	3,700	0
Total number of options exercised	0	0	0
The total number of shares arising as a result of exercise of option	0	0	0
Total number of options lapsed	30,100	4,500	0
The exercise price	Rs. 175/-	Rs. 175/-	Rs. 360.97/-
Variation of terms of options	NIL	NIL	NIL
Money realized by exercise of options	NIL	NIL	NIL

15) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUT-GO:

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

The particulars relating to the energy conservation and technology absorption, as required under Section 134(3)(m) of The Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 are given in the **ANNEXURE II** to this Report.

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

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. In accordance with Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under, the Company has formed an Anti-Sexual Harassment Policy. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

- No. of complaints at the beginning of the year: NIL
- No. of complaints received during the year: Nil
- No. of complaints disposed off during the year: Nil
- No. of complaints at the end of the year: NIL

17) RISK MANAGEMENT

The Company has formulated and implemented a risk management framework in line with the risk management policy which encompasses practices relating to identification, assessment monitoring and mitigation of various risks to key business objectives. The Risk management framework of the Company seeks to minimize adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The various key risks to key business objectives are as follows:
Liquidity Risk: It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. Liquidity risk can manifest in three different dimensions for the Company.
Funding Risk: To replace net outflows due to unanticipated outflow. Time Risk: To compensate for non-receipt of expected inflows of funds.
Call Risk: Due to crystallization of contingent liabilities or inability to undertake profitable business opportunities when desirable.
Interest Rate Risk: It is the risk where changes in market interest rates might adversely affect the Company's financial condition. The short term/immediate impact of changes in interest rates are on the Company's Net Interest Income (NII). On a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all repricing mismatches and other interest rate sensitive positions.

18) FIXED DEPOSITS:

During the year under review, your company has neither invited nor accepted or renewed any fixed deposits from public in terms of provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not borrowed any amount from its directors and relatives of directors.

19) LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial company in the ordinary course of its business are exempted from disclosure in the Annual Report. Details have been covered under notes to accounts nos. 11-16 of Audited Financial Statements for the Financial Year 2019-20.

20) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure III** to this Board's Report.

21) CORPORATE SOCIAL RESPONSIBILITY

In line with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, your Company has undertaken various CSR projects in the area of health, promoting gender equality, empowering women, Education, promoting women hygiene, Providing Safe Drinking Water and Promoting healthcare which are in accordance with the Schedule VII of the Act and CSR Policy of the Company.

The CSR Policy of the Company is available on the website at https://www.finova.in/csr-policy.php. The brief outline of the CSR Policy, including overview of the programs undertaken by the Company, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of the amounts spent by the Company on CSR activities during the year under review, have been included in Annual report on CSR attached as **Annexure IV** to this report.

22) RBI GUIDELINES

The Company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India ("RBI") as applicable to a Non-Banking Non-Deposit taking Non-Systemically Important Loan Company ("NBFC-ND-NSI-LC"). As a prudent practice, the Company makes accelerated provisioning for Non-Performing Assets ("NPAs") than that required by RBI for NBFCs. The Company has also submitted the necessary returns with RBI on timely basis.

23) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts on a going concern basis; and

e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24) OTHER DISCLOSURES:

Other disclosures with respect to Board's Report as required under the Companies Act, 2013 and the Rules notified thereunder are either NIL or NOT APPLICABLE.

25) ACKNOWLEDGMENT:

Your Directors gratefully acknowledges with appreciation, the financial support and co-operation extended by Banks. The Directors place on record with pleasure their thanks to Employees, Shareholders, Advisors, Lenders, Borrowers and all concerned for their continued commitment which has enabled the Company to achieve its goals for the year.

Your Directors thank the Rating Agencies (CARE Ratings Limited and Acuite Ratings & Research Ltd., local /statutory authorities and all others for their whole- hearted support during the financial year and look forward to their continued support in the years ahead.

DATE: 18.06.2020 **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
PLACE: JAIPUR

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
SUNITA SAHNEY
WHOLE TIME DIRECTOR
DIN: 02395354
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
MOHIT SAHNEY
MANAGING DIRECTOR & CEO
DIN: 07280918
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

ANNEXURE-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management and Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	**U65993RJ2015PTC048340**
2.	**Registration Date**	**24/09/2015**
3.	**Name of the Company**	**FINOVA CAPITAL PRIVATE LIMITED**
4.	**Category/Sub-category of the Company**	**Company Limited By Shares/ Indian Non- Government Company**
5.	**Address of the Registered office & contact details**	**702, SEVENTH FLOOR, UNIQUE ASPIRE, PLOT NO. 13-14, COSMO COLONY, AMRAPALI MARG, VAISHALI NAGAR, JAIPUR-302021** **CONTACT NO.: 0141-4118202** **e-mail: info@finova.in**
6.	**Whether listed company**	**NO**
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**N.A.**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company (approx)
1.	Other Financial service activities, except insurance and pension funding activities, n.e.c.	64990	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
N.A.					

IV. **SHARE HOLDING PATTERN (Equity & Preference Share Capital Breakup as percentage of Total Equity & Preference [On fully diluted basis])

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	--	32,88,516	32,88,516	29.06%	--	32,88,516	32,88,516	29.06 %	0.00%
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A)(1):-	--	**32,88,516**	**32,88,516**	**29.06%**	**--**	**32,88,516**	**32,88,516**	**29.06 %**	**0.00%**
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--

e) Any Other	--	--	--	--	--	--	--	--	--
Sub -total (A) (2): -	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**--**	**32,88,516**	**32,88,516**	**29.06%**	**--**	**32,88,516**	**32,88,516**	**29.06 %**	**0.00%**
B. Public Shareholding	--	--	--	--	--	--	--	--	--
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Alternate Investment Fund)	--	17,31,446	17,31,446	15.30%	--	17,31,446	17,31,446	15.30 %	0.00%
Sub-total (B)(1):-	--	**17,31,446**	**17,31,446**	**15.30%**	--	**17,31,446**	**17,31,446**	**15.30 %**	**0.00%**

2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	***44,16,398	44,16,398	39.03%	--	***44,16,398	44,16,398	39.03%	0.00%
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	18,78,000	18,78,000	16.60%	--	18,78,000	18,78,000	16.60%	0.00%
c) Others (specify) Non Resident Individual	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	**--**	**62,94,398**	**62,94,398**	**55.63%**	**--**	**62,94,398**	**62,94,398**	**55.63%**	**0.00%**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**--**	**80,25,844**	**80,25,844**	**70.93%**	**--**	**80,25,844**	**80,25,844**	**70.93%**	**0.00%**
C. Shares held by Custodian	--	--	--	--	--	--	--	--	--

for GDRs & ADRs									
Grand Total (A+B+C)	--	***1,13,14,360	**1,13,14,360	100.00%	--	**1,13,14,360	**1,13,14,360	100.00%	--

**Figures calculated on fully diluted basis.

*** Assuming the full conversion of 33,30,425 Series A CCCPS; 28,000 Series A-1 CCCPS & 29,55,915 Series B CCCPS, issued and allotted, to equity shares at a conversion price of Rs. 115/-; Rs. 175/- & Rs. 360.97/- respectively.

ii) Shareholding of Promoters:

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Mohit Sahney	26,69,258	23.59%	--	26,69,258	23.59%	--	0.00%
2.	Mrs. Sunita Sahney	6,19,258	5.47%	--	6,19,258	5.47%	--	0.00%
	TOTAL	******32,88,516**	**29.06%**	**--**	******32,88,516**	**29.06%**	--	**0.00%**

****Figures calculated on fully diluted basis. Assuming the full conversion of 1,38,516 Series B CCCPS, issued and allotted, to equity shares at a conversion price of Rs. 360.97/- to respectively.

iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	**Mr. Mohit Sahney**	26,69,258	23.59%	26,69,258	23.59%
	Date wise Increase / Decrease in Promoters Shareholding during the year				
	NIL	--	--	--	--

	At the end of the year				
	Mohit Sahney	**26,69,258**	**23.59%**	**26,69,258**	**23.59%**
	At the beginning of the year				
2.	**Mrs. Sunita Sahney**	6,19,258	5.47%	6,19,258	5.47%
	Date wise Increase / Decrease in Promoters Shareholding during the year				
	NIL	**--**	**--**	--	--
	At the end of the year				
	Sunita Sahney	**6,19,258**	**5.47%**	**6,19,258**	**5.47%**

Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	SCI Investments V				
	At the beginning of the year	44,16,398	39.03%	44,16,398	39.03%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	44,16,398	39.03%	44,16,398	39.03%
2.	Faering Capital India Evolving Fund II				
	At the beginning of the year	11,02,065	9.74%	11,02,065	9.74%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	11,02,065	9.74%	11,02,065	9.74%
3.	Faering Capital India Evolving Fund III				
	At the beginning of the year	6,29,381	5.56%	6,29,381	5.56%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	6,29,381	5.56%	6,29,381	5.56%
4.	Mr. Prashant Gupta				
	At the beginning of the year	8,00,000	7.07%	8,00,000	7.07%
	Date wise increase/decrease in Shareholding during the	--	--	--	--

	year				
	At the end of the year	8,00,000	7.07%	8,00,000	7.07%
5	Mr. Ravinder Singh Thakkar				
	At the beginning of the year	8,00,000	7.07%	8,00,000	7.07%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	8,00,000	7.07%	8,00,000	7.07%
6.	Mr. Laxmi Narain Sharma				
	At the beginning of the year	2,50,000	3.00%	2,50,000	3.00%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	2,50,000	3.00%	2,50,000	3.00%
7.	Mr. Rahul Sahney				
	At the beginning of the year	28,000	0.25%	28,000	0.25%
	Date wise increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	28,000	0.25%	28,000	0.25%

iv) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	**Mohit Sahney**				
	At the beginning of the year	26,69,258	23.59%	26,69,258	23.59%
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**26,69,258**	**23.59%**	**26,69,258**	**23.59%**
2.	**Sunita Sahney**				
	At the beginning of the year	6,19,258	5.47%	6,19,258	5.47%
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**6,19,258**	**5.47%**	**6,19,258**	**5.47%**
3.	**Mr. Ishaan Mittal**				
	At the beginning of the year	**--**	**--**	**--**	**--**
	Date wise Increase / Decrease in Shareholding during the year	**--**	**--**	**--**	**--**
	At the end of the year	**--**	**--**	**--**	**--**
4.	**Mr. GV Ravishankar**	--	--	--	--

	At the beginning of the year	**--**	**--**	**--**	**--**
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**--**	**--**	**--**	**--**
5.	**Mr. Arjun Dan Ratnoo**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**--**	**--**	**--**	**--**
6.	**Mr. Aditya Deepak Parekh**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**--**	**--**	**--**	**--**
7.	**Ms. Garima Jhamnani**	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year	--	--	--	--
	At the end of the year	**--**	**--**	**--**	**--**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,892,64,7961	--	--	1,892,64,7961
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1,51,20,121	--	--	1,51,20,121
Total (i+ii+iii)	**1,907,77,68,082**	**--**	**--**	**1,907,77,68,082**
Change in Indebtedness during the financial year		--	--	
* Addition	1,86,50,00,000		--	1,86,50,00,000
* Reduction	63,68,98,344	--	--	63,68,98,344
Net Change	**1,22,81,01,656**	**--**	**--**	**1,22,81,01,656**
Indebtedness at the end of the financial year			--	
i) Principal Amount	3,12,07,49,617	--	--	3,12,07,49,617
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1,78,60,163	--	--	1,78,60,163
Total (i+ii+iii)	**3,13,86,09,780**	**--**	**--**	**3,13,86,09,780**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager/Executive Director		Total Amount
		Mohit Sahney	**Sunita Sahney**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	#1,62,72,000	#52,66,500	**2,15,38,500**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify…	--	--	--
5	Others, please specify	--	--	--
	Total (A)	**# 1,62,72,000**	**# 52,66,500**	**2,15,38,500**
	Ceiling as per the Act	--	--	--

Remuneration includes bonus for F.Y. 2018-19 paid during the F.Y. 2019-20, amounting to Rs. 50,40,000/- (Rupees Fifty Lakhs and Forty Thousand) and Rs. 13,00,000/- (Rupees Thirteen Lakhs) Only to Mr. Mohit Sahney and Mrs. Sunita Sahney.

B. Remuneration to other directors:

S No.	Particulars of Remuneration	Name of Directors				Total Amount
		Arjun Dan Ratnoo	Ishaan Mittal	Ravi Shankar Venkataraman Ganapathy Agraharam	Aditya Deepak Parekh	
1	Independent Directors					
	• Fee for attending board committee meetings	80,000	--	--	--	80,000
	• Commission	--	--	--	--	--
	• Others, please specify	--	--	--	--	--
	Total (1)	80,000	--	--	--	80,000
2	Other Non-Executive Directors					
	• Fee for attending board committee meetings	--	--	--	--	--
	• Commission	--	--	--	--	--
	• Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	80,000	--	--	--	80,000
	Total Managerial Remuneration	80,000	--	--	--	80,000
	Overall Ceiling as per the Act	--	--	--	--	--

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

S. No.	Particulars of Remuneration		
		Ms. Garima Jhamnani Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	##6,40,802	##6,40,802
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit	--	--
	- others, specify…	--	--
5	Others, please specify	--	--

	Total	##6,40,802	##6,40,802

##Remuneration includes bonus for F.Y. 2018-19 paid during the F.Y. 2019-20, amounting to Rs. 99,765/- (Rupees Ninety-Nine Thousand Seven Hundred and Sixty-Five)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE: NIL

Type	Section of the Companies Act,1956	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.

DATE: 18.06.2020
PLACE: JAIPUR

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
SUNITA SAHNEY
WHOLE TIME DIRECTOR
DIN: 02395354
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
MOHIT SAHNEY
MANAGING DIRECTOR & CEO
DIN: 07280918
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

ANNEXURE II

(A) Conservation of energy:

(i) The steps taken or impact on conservation of energy: The operations of your company are not energy intensive. However adequate Measures have been initiated to reduce energy consumption further. The head office and branches of the Company has been using LED Bulbs that consume less electricity as compared to CFL and incandescent bulbs.
(ii) The steps taken by the company for utilizing alternate sources of energy: Nil
(iii) The capital investment on energy conservation equipment: Nil

(B) Technology absorption:

(i) The efforts made towards technology absorption: The Company has not carried out any Technology absorption
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: N.A.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.
(a) The details of technology imported: Nil
(b) The year of import: Nil
(c) Whether the technology been fully absorbed: N.A.
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

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

(C) Foreign exchange earnings and Outgo:

There were no foreign exchange earnings and outgo during the financial year ended 31st March, 2020.

DATE: 18.06.2020 **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
PLACE: JAIPUR

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
SUNITA SAHNEY
WHOLE TIME DIRECTOR
DIN: 02395354
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-
MOHIT SAHNEY
MANAGING DIRECTOR & CEO
DIN: 07280918
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

ANNEXURE III

FORM NO. AOC.2

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 transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   - (e) Justification for entering into such contracts or arrangements or transactions
   - (f) date(s) of approval by the Board
   - (g) Amount paid as advances, if any:
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Name(s) of the related party and nature of relationship	Nature of Contracts/arrangements/ Transactions	Duration of the Contracts/arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rahul Sahney (Bother of Director)	Holding of office or place of Profit	Regular	Appointment of Mr. Rahul Sahney as Chief Operating Officer (to hold office or place of profit) on monthly remuneration of Rs. 3,25,000/-	12.06.2019	--
Mrs. Sunita Sahney (Director)	Availing of Service	Regular	Availment of service in nature of hiring car on rent at Rs. 5,000/- p.m.	17.06.2017	--

DATE: 18.06.2020 **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE: JAIPUR

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-

SUNITA SAHNEY

WHOLE TIME DIRECTOR

DIN: 02395354

Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-

MOHIT SAHNEY

MANAGING DIRECTOR & CEO

DIN: 07280918

Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

ANNEXURE IV

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Annual Report on Corporate Social Responsibility Activities

[Pursuant to clause (o) o sub section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014

1. **A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs.**

   The Company has adopted Corporate Social Responsibility ("CSR") Policy approved by CSR Committee and the Board of Directors, in accordance with the provisions of Corporate Social Responsibility under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act. The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large and is committed to delivering sustainable solutions to equip and encourage equal opportunity, maximize human and social development and leverage the aspirations of youth, women and vulnerable sections of population. The CSR programs undertaken by the Company largely fall in the areas of: improving awareness of communities towards Education, Health and Sanitation, Safe Drinking Water, etc. The Company also intends to undertake such other CSR projects, where societal and community needs are high or in special situations (natural disasters etc.). The Company shall continue its engagement with Stakeholders including NGOs, professional bodies/ forums and would take up such CSR activities in line with the Government's intent, which are important for the society at large.

   The CSR Policy of the Company was approved by the Board of Directors in their meeting held on 22.10.2018. This policy, which encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for the welfare & sustainable development of the community.

   <u>Objectives:</u>
   The objectives of the Company's CSR Policy are to:

(a) To provide a robust framework for carrying out the CSR initiatives in alignment with the Act and the rules made thereunder, as applicable from time to time.
(b) To improve the community well-being through discretionary business practices and contribution of corporate resources.
(c) To promote greater social and environmental responsibility.
(d) To pursue a corporate strategy that enables realization of the goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergizing manner.
(e) To ensure that the surplus arising of CSR projects/ programs/ activities shall not form part of the business profit of the Company
(f) To display the contents of the CSR policy and the implementation of the CSR activities on the website and the annual report of the company
(g) To generate through its CSR initiatives, goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

During the Financial Year 2019-20, the Company has taken various activities in the sector of Education, Health and Sanitation, Safe Drinking Water, etc.

The Company's Corporate Social Responsibility Policy has been hosted on the website of the Company at http://www.finova.in/csr-policy.php

2. **The composition of the CSR Committee:**
The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013. The composition of the CSR Committee as at 31st March, 2020 was as under:

Name of the Director	**Category**
Mr. Mohit Sahney	Chairman
Mrs. Sunita Sahney	Member
Mr. Arjun Dan Ratnoo	Member

3. **Average net profit (before Tax) of the Company for the last three financial years**
Average net profit was Rs. 5,42,89,185/- (Rupees Five Crores Forty Two Lakhs Eighty Nine Thousand One Hundred and Eighty-Five Only)

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**
The Company is required to spend Rs. 10,85,784/- (Rupees Ten Lakhs, Eighty Five Thousand Seven Hundred and Eighty Four Only)

5. **Details of CSR spent during the financial year:**

a. Total amount to be spent for the financial year: Rs. 10,85,784/-
b. Amount unspent: NIL (No amount is unspent for the Financial Year 2019-20)

c. Manner in which the amount spent during the financial year is detailed below:

-1 **S. No.**	**-2** **CSR project or activity identified**	**-3** **Sector in which the project is covered**	**-4** **Projects of programs** **1) Local area or other** **2) Specify the State and district where**	**-5** **Amount outlay (budget) Project or programs wise**	**-6** **Amount spent on the projects Sub heads:** **(1) Direct Expenditure on projects or programs** **(2) Overheads**	**-7** **Cumulative expenditure upto the reporting period**	**-8** **Amount spent: Direct or through implementing agency**

			project or programs was udertaken				
1.	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Installation of water coolers by making available safe drinking water	Rajasthan (Jaipur and Sikar)	3,75,000	3,75,997	7,23,850	Direct
2.	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Installation of furniture at Government hospitals.	Rajasthan (Alwar and Jaipur)	2,00,000	1,97,331	1,97,331	Direct
3.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Installation of furniture at Government schools.	Rajasthan (Alwar and Jaipur)	50,000	55,590	55,590	Direct
4.	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and	Installation of sanitary napkin vending machine at Government colleges and		1,90,784	2,04,711	2,04,711	Direct

	making available safe drinking water	public areas.					
5.	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Providing mid day meals to the poor children by donation to Akshay Patra	Jaipur, Rajasthan	2,70,000	2,70,000	4,02,000	Implementing agency
	Total			**10,85,784**	**11,03,629**		

Details of implementing agency:

- **Akshay Patra Foundation**

The Akshay Patra Foundation is a not-for-profit organization which strives to eliminate hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided-schools. Alongside, Akshay Patra also aims at countering malnutrition and supporting the right to education of socio-economically disadvantaged children. The organization works towards its vision of “No child in India shall be deprived of education because of hunger”.

6. **Reason for not spending the amount mentioned in point 5(c):**
   N.A.

7. **The implementation and monitoring of the CSR Policy is in compliance with CSR objects and policy of the Company and will be reviewed by CSR Committee and Board at periodic intervals.**

DATE: 18.06.2020 **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
PLACE: JAIPUR
FOR FINOVA CAPITAL PRIVATE LIMITED **FOR FINOVA CAPITAL PRIVATE LIMITED**

Sd/-
SUNITA SAHNEY
WHOLE TIME DIRECTOR
DIN: 02395354
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

Sd/-
MOHIT SAHNEY
MANAGING DIRECTOR & CEO
DIN: 07280918
Regd. Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021

FORM No. MGT–11
Proxy Form
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: U65993RJ2015PTC048340
Name of the Company: Finova Capital Private Limited
Registered Office: 702, Seventh Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Raj.)

Name of the Member (s):
Registered address:
E-mail Id: Folio No / Client Id:

I / We, being the member(s) of _________ shares of the above mentioned Company, hereby appoint:

1. Name: ____
   Address: ____
   E-mail Id:____
   Signature:____, or failing him/her

2. Name: ____
   Address: ____
   E-mail Id:____
   Signature:____, or failing him/her

3. Name: ____
   Address: ____
   E-mail Id:____
   Signature:____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 05TH AGM of the Company, to be held on Monday, the 20th day of July, 2020 at 11.00 A.M at its corporate office situated at Fourth Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Raj.) and at any adjournment thereof in respect of such resolutions as are indicated below:

S. NO.	Resolution	For	Against
1.	To adopt the Audited Financial Statements for the year ended on 31st March, 2020 together with the reports of Board of Directors and Auditors thereon.		

Signed this _____ day of ________________, 2020

Affix Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Registered Folio no./DP ID no./ Client ID No.	
Number of shares held	

I certify that I am a member /proxy/authorised representative for the member of the company. I hereby record my presence at the 05th AGM of the Company, held on Monday, the 20th day of July, 2020, at 11.00 A.M. at its corporate office at Fourth Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Raj.)

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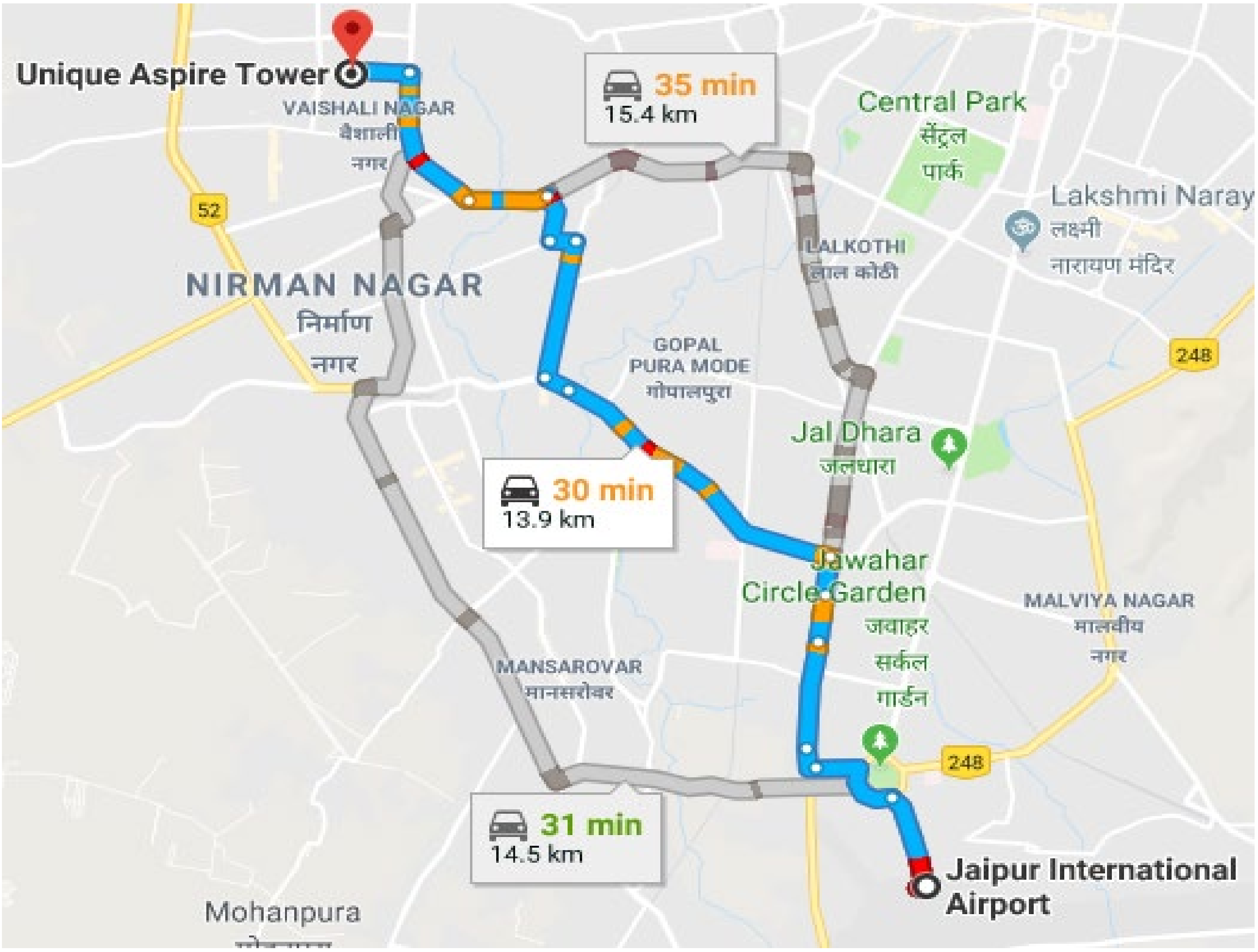
Name of the member/proxy Signature of the member/proxy
(In Block Letters)

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting.

ROUTE MAP FOR THE VENUE OF THE MEETING



VENUE:
FOURTH FLOOR, UNIQUE ASPIRE, PLOT NO. 13-14,
COSMO COLONY, AMRAPALI AMRG, VAISHALI NAGAR,
JAIPUR-302021 (RAJASTHAN)
LANDMARK: AMRAPALI CIRCLE

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel: +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Finova Capital Private Limited 1 June 2021

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Finova Capital Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 72 to the financial statements, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Transition to Ind AS accounting framework *(as described in note 29 of the financial statements)*	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2020 with transition date of April 1, 2019. For periods up to and including the year ended March 31, 2020, the Company had prepared and presented its financial statements as required under the erstwhile generally accepted accounting principles in India. In order to give effect of the transition to Ind AS financial statements for the year ended March 31, 2021, together with the comparative financial information for the previous year ended March 31, 2020 and the transition date balance sheet as at April 1, 2019 have been prepared under Ind AS. The transition involved significant changes to the Company's policies and processes relating to financial reporting, including generation of reliable and supportable information. Further, the management has exercised significant judgement for giving the effect of principles of First-time Adoption of Indian Accounting Standards (Ind AS 101), as at transition date including election of available options for transition of balances as at transition date from the erstwhile generally accepted accounting principles to Ind AS and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed	Our audit procedures included the following: • Evaluated the Ind AS impact assessment performed by the management to identify areas impacted on account of Ind AS transition and the resultant changes made to the accounting policies considering the requirements of the new framework. • Understood the financial statement closure process (including process relating to disclosures) and the additional controls established by the Company for transition to Ind AS. We tested the design and operating effectiveness of key controls of such process. • Assessed the judgement applied by the management in applying the first-time adoption principles of Ind AS 101 including implementation of exemptions availed, and options chosen by the company in accordance with the requirements of Ind AS 101. • Tested the accounting adjustments to present the comparative financial information prepared under erstwhile generally accepted accounting principles to Ind AS. • Assessed the adequacy of disclosures including reconciliations prepared and presented by the management as prescribed under Ind AS 101.

under extant Reserve Bank of India (‘RBI’) directions.	
(b) Impairment of loans as at the balance sheet date (expected credit losses) *(as described in note 1.18 of the financial statements)*	
Ind AS 109: Financial Instruments (“Ind AS 109”) requires the Company to provide for impairment of its Loans & Advances using the Expected Credit Losses (“ECL”) approach. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative thresholds for ‘significant increase in credit risk’ (“SICR”) and ‘default’. b) Determining effect of less frequent past events on future probability of default. c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques; d) Determining macro-economic factors impacting credit quality of receivables; **Additional consideration on account of COVID-19** The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship. Pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 (“RBI Circulars”) allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. The guidance by the Institute of Chartered Accountants of India (‘ICAI’), provides	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and receivables and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 (“the RBI Guidelines”). • Assessed the Company’s policy with respect to moratorium pursuant to the RBI Circular and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around extraction and validation of the input data used. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company’s policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the probability of default (PD) and loss given default (LGD) rates and compared the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company.

extension of moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans as at the balance sheet date (including provision for expected credit losses) is a key audit matter.	• Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Assessed the adequacy of disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109 including specific disclosures made in the financial statements with regards to the impact of CoVID-19 on ECL estimation.

Other Information

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.

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 and, in doing so, consider whether such 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 the Management for the Financial Statements

The Company's 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal 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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFJ1170

Place of Signature: Gurugram

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Finova Capital Private Limited ("the Company")

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties included in property, plant and equipment/fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. The provisions relating to sales tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(c) According to the information and explanations given to us, there are no dues of income-tax, employee's state insurance, goods and service tax, service tax and cess which have not been deposited on account of dispute. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us , transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares / fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Amit Kabra
Partner
Membership Number: 094533

UDIN: 21094533AAAAFJ1170
Place: Gurugram

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 with reference to these financial statements of Finova Capital Private Limited ("the Company") as of March 31, 2021 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India("ICAI") . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements, including obtaining an understanding of internal financial controls with reference to these 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 these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these 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 controls with reference to these 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to These Financial Statements

Because of the inherent limitations of internal financial controls with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFJ1170

Place of Signature: Gurugram

FINOVA CAPITAL PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021
(All Amount in lakhs, except as stated otherwise)

Particulars	Note	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
ASSETS				
Financial Assets				
Cash and cash equivalents	2	730.32	4,242.54	384.19
Bank balance other than Cash and cash equivalents	3	27,048.58	3,451.57	6,224.24
Loans	4	57,758.00	38,499.87	23,695.22
Investments	5	10,563.07	707.93	4,093.82
Other Financial Assets	6	924.68	426.20	55.44
Subtotal - Financial assets (A)		**97,024.65**	**47,328.11**	**34,452.91**
Non- Financial Assets				
Current tax assets		159.97	85.56	48.97
Deferred Tax Assets (net)	27	416.86	426.67	280.71
Property, plant and equipment	7(a)	428.77	404.68	266.02
Right of Use Assets	7(b)	278.79	281.33	121.65
Intangible Assets under development	7(c)	21.63	21.69	-
Other Intangible Assets	7(d)	70.52	2.12	2.91
Other non- financial assets	8	30.91	3.79	13.24
Subtotal - Non-financial assets (B)		**1,407.45**	**1,225.84**	**733.50**
Total - Assets (A+B)		**98,432.10**	**48,553.95**	**35,186.41**
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Trade Payables	9	280.42	283.87	236.65
Debt Securities	10	8,451.29	-	-
Borrowings (other than Debt Securities)	11	43,908.02	31,193.42	18,975.50
Lease liabilities		305.39	294.56	121.66
Other financial liabilities	12	1,096.87	145.30	394.85
Subtotal - Financial liabilities (C)		**54,041.99**	**31,917.15**	**19,728.66**
Non-Financial Liabilities				
Provisions	13	61.18	37.66	44.07
Other Non-financial liabilities	14	138.92	46.65	58.07
Subtotal - Non-financial liabilities (D)		**200.10**	**84.31**	**102.14**
Equity				
Equity share capital	15	10,161.21	6,649.49	6,649.49
Other equity	16	34,028.80	9,903.00	8,706.12
Subtotal - Equity (E)		**44,190.01**	**16,552.49**	**15,355.61**
Total - Liabilities and Equity (C+D+E)		**98,432.10**	**48,553.95**	**35,186.41**
Summary of significant accounting policies	1			

The accompanying notes are forming part of financial statements

As per our attached report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Sd/-
Per Amit Kabra
Partner
Membership No.: 094533
Place: Gurugram
June 1, 2021

For and on behalf of Board of Directors of
FINOVA CAPITAL PRIVATE LIMITED

Sd/-
Mohit Sahney
MD & CEO
DIN: 07280918

Sd/-
Sunita Sahney
Whole Time Director
DIN: 02395354

Sd/-
Ravi Sharma
CFO

Sd/-
Namrata Sajnani
Company Secretary
M. No: F10030

Place: Jaipur
June 1, 2021

FINOVA CAPITAL PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest Income	17	11,684.93	7,728.33
Fees and commission Income	18	548.17	419.53
Net gain on fair value changes	19	270.98	425.78
Total Revenue from operations (A)		**12,504.08**	**8,573.64**
Other Income (B)	20	5.44	0.05
Total Income (A+B)		**12,509.52**	**8,573.69**
Expenses			
Finance Costs	21	4,756.58	3,123.13
Impairment on financial instruments	22	782.37	768.90
Employee Benefits Expense	23	3,803.52	2,266.89
Depreciation, amortization and impairment	7 (a) (c) (d)	172.94	121.79
Other expenses	24	786.85	726.59
Total Expenses (C)		**10,302.26**	**7,007.30**
Profit before tax (A+B-C)		**2,207.26**	**1,566.39**
Tax Expense:			
(1) Current Tax	26	547.29	537.71
(2) Deferred Tax Liabilities/(Assets)	26	9.82	(145.97)
Profit for the year		**1,650.15**	**1,174.65**
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of net defined benefit plans	23.1	7.86	(2.01)
b) Income tax relating to items that will not be reclassified to profit and loss	23.1	(2.01)	0.51
Other Comprehensive Income (a-b)		**5.85**	**(1.50)**
Total Comprehensive Income for the year		**1,656.00**	**1,173.15**
Earnings per equity share	25		
Basic (Rs.)		**13.09**	**10.52**
Diluted (Rs.)		**12.77**	**10.30**
Nominal value per share (Rs.)		**10.00**	**10.00**
Summary of significant accounting policies	1		

The accompanying notes are forming part of financial statements

As per our attached report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Sd/-
Per Amit Kabra
Partner
Membership No.: 094533
Place: Gurugram
June 1, 2021

For and on behalf of Board of Directors of
FINOVA CAPITAL PRIVATE LIMITED

Sd/-
Mohit Sahney
MD & CEO
DIN: 07280918

Sd/-
Sunita Sahney
Whole Time Director
DIN: 02395354

Sd/-
Ravi Sharma
CFO

Sd/-
Namrata Sajnani
Company Secretary
M. No: F10030

Place: Jaipur
June 1, 2021

FINOVA CAPITAL PRIVATE LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021
(All Amount in lakhs, except as stated otherwise)

A. Equity Share Capital

Particulars	**Amount**
Balance as on April 1, 2019	**6,649.49**
Shares issued during the year ended March 31, 2020	-
Balance as at March 31, 2020	**6,649.49**
Shares issued during the year ended March 31, 2021	3,511.72
Balance as at March 31, 2021	**10,161.21**

B. Other Equity

	Reserves and surplus				**Total**
Equity Component of compounded financial instruments	**Statutory reserves as per section 45 (IC) of the RBI Act. 1934**	**Share based payment reserve**	**Securities Premium**	**Retained Earnings**	
Balance as at April 1 2019	240.18	6.80	8,125.58	333.56	**8,706.12**
Profit for the year (A)	-	-	-	1,174.65	**1,174.65**
Other Comprehensive loss for the year (B)	-	-	-	(1.50)	**(1.50)**
Total Comprehensive Income for the year (A+B)	**-**	**-**	**-**	**1,173.15**	**1,173.15**
Addition during the year	225.69	-	-	-	**225.69**
Transfer to reserve from retained earnings during the year	-	-	-	(225.69)	**(225.69)**
Share Based Payments		23.73	-	-	**23.73**
Balance as at March 31, 2020	**465.87**	**30.53**	**8,125.58**	**1,281.02**	**9,903.00**
Profit for the year (C)	-	-	-	1,650.15	**1,650.15**
Other Comprehensive Income for the year (D)	-	-	-	5.85	**5.85**
Total Comprehensive Income for the year (C+D)	**-**	**-**	**-**	**1,656.00**	**1,656.00**
Addition during the year	331.20	-	-	-	**331.20**
Transfer to reserve from retained earnings during the year	-	-	-	(331.20)	**(331.20)**
Issue of share capital	-	-	22,539.90	-	**22,539.90**
Transaction cost	-	-	(81.76)	-	**(81.76)**
Share Based Payments	-	11.66	-	-	**11.66**
Balance as at March 31, 2021	**797.07**	**42.19**	**30,583.72**	**2,605.82**	**34,028.80**

As per our attached report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Sd/-
Per Amit Kabra
Partner
Membership No.: 094533
Place: Gurugram
June 1, 2021

For and on behalf of Board of Directors of
FINOVA CAPITAL PRIVATE LIMITED

Sd/-
Mohit Sahney
MD & CEO
DIN: 07280918

Sd/-
Sunita Sahney
Whole Time Director
DIN: 02395354

Sd/-
Ravi Sharma
CFO

Sd/-
Namrata Sajnani
Company Secretary
M. No: F10030

Place: Jaipur
June 1, 2021

FINOVA CAPITAL PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
(All Amount in lakhs, except as stated otherwise)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities:**		
	Net profit before tax as per statement of profit and loss	**2,207.26**	**1,566.39**
	Adjustment to reconcile profit before tax to net cash flow:		
	Depreciation and amortisation of PPE, ROU & Other intangible asset	172.94	121.79
	Net gain on sale of current investments	(219.22)	(454.48)
	Amortization of ancillary cost	(87.49)	(90.50)
	(Reversal)/Provision for Expected Credit Loss (ECL)	(121.88)	486.61
	Loan assets written-off	904.25	282.29
	Interest on income tax refund	(3.80)	-
	Employee stock option expense	11.66	23.73
	Loss on sale of property, plant and equipment	0.46	0.22
	Fair Value change of Investments	(51.76)	28.70
	Operating profit before working capital changes	**2,812.38**	**1,964.75**
	Changes in working capital		
	(Increase)/decrease in financial and other assets	(44,136.00)	(13,171.64)
	(Increase)/decrease in non financial assets	(76.96)	(32.35)
	Increase/(decrease) in financial and other liabilities	906.13	(234.12)
	Increase/(decrease) in non financial liabilities	115.79	(17.83)
	Total of changes in working capital	**(43,191.04)**	**(13,455.94)**
	Direct taxes paid	(562.20)	(534.00)
	Net cash flow (used in) operating activities (A)	**(40,940.84)**	**(12,025.19)**
B	**Cash flow from investing activities:**		
	Inflow (outflow) on account of :		
	Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(210.45)	(236.56)
	Purchase of Investments		
	Mutual Fund	(44,194.21)	(22,552.28)
	Sale of Investments		
	Mutual Fund	34,610.03	26,363.98
	Net cash flow from / (used in) investing activities (B)	**(9,794.63)**	**3,575.12**
C	**Cash flow from financing activities:**		
	Issue of equity shares (including share premium)	26,051.62	-
	Share issue expenses	(81.76)	-
	Proceeds from borrowings		
	NCD	8,605.45	-
	Bank Borrowings	24,947.61	18,677.40

Repayment of borrowings		
NCD	(163.78)	-
Bank Borrowings	(12,135.89)	(6,368.98)
Net Cash flow from financing activities (C)	**47,223.25**	**12,308.42**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(3,512.22)**	**3,858.35**
Cash and cash equivalents as at the beginning of the year	4,242.54	384.19
Cash and cash equivalents at the end of the year	**730.32**	**4,242.54**
Components of cash and cash equivalents		
Cash on hand	51.11	14.64
Balance with banks		
In current accounts	679.21	4,202.88
In deposit account	-	25.02
Total cash and cash equivalents	**730.32**	**4,242.54**
Operational Cash Flow from Interest		
Interest Received	9,258.99	6,119.37
Interest Paid	4,231.53	2,996.68

Note:-

1 Cash flow statement has been prepared under indirect method as set out in the IND AS 7 " Cash Flow Statement".

2 Previous year figures have been regrouped/reclassified wherever applicable.

The accompanying notes are forming part of financial statements

As per our attached report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Sd/-
Per Amit Kabra
Partner
Membership No.: 094533
Place: Gurugram
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For and on behalf of Board of Directors of
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Sd/-
Ravi Sharma
CFO

Sd/-
Namrata Sajnani
Company Secretary
M. No: F10030

Place: Jaipur
June 1, 2021

FINOVA CAPITAL PRIVATE LIMITED
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31, MARCH 2021

A. Corporate Information

Finova Capital Private Limited is a private limited company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification No. is (CIN) U65993RJ2015PTC048340 on September 24, 2015. The Company engaged in lending activities. The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on March 02, 2016 vide registration No. RBI B-10.00236.

B. Basis of preparation of Financial Statements

a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the year ended March 31, 2020, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking-Financial Company Non Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP'). These financial statements for the year ended March 31, 2021 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS101 First-time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition of Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 29.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the lakhs, except when otherwise indicated.

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

b) Basis of measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as per note 1.17.

1 Summary of significant accounting policies

1.1 Use of estimates

The preparation of 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 year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.
In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

1.1.1 Business Model Assessment

The Company determines its Business Model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions.
Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

1.1.2 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.

1.1.3 Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's model, which assigns Probability of default (PD)s
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s

1.1.4 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

1.1.5 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.1.6 Effective Interest rate method

The Company's EIR methodology, recognises interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

1.2 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits & time deposits and short term investments with original maturity of less than three months.

1.3 Revenue recognition

1.3.1 Interest and similar income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on receipts basis.

1.3.2 Fee and commission income

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

1.3.3 Other Income

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date.The company also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

1.4 Property, plant and equipment (PPE) and other Intangible assets

PPE are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.5 Operating Leases

1.5.1 Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

Measurement and recognition:

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

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

Short term Lease:

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

1.5.2 Company as a lessor:

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not

1.6 Depreciation and Amortization

Depreciation on property, plant and equipment's is calculated on straight line basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particular	Useful Life (years)
Leasehold Improvements	3
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Electrical installations	10
Office Equipment	5

Salvage Value of the assets has been taken @5% of Original Cost (except intangible assets) as prescribed in Schedule II.

Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization

The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

1.7 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

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 year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in Profit or Loss on the earlier of: The date of the plan amendment or curtailment, and The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Earned leave is granted at the start of the financial year and lapsed at the end of the year therefore, the company is not required to provide for the leave encashment.

1.11 Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available
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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

1.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.13 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 28.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.14 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.

1.15 Financial Assets

1.15.1 Initial recognition and measurement

The financial asset is held within a business model with the objective 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 (SPPI) on the principal amount outstanding.
Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Company measures Bank balances, Loans & advances, Trade receivables and other financial instruments at amortised cost.

1.15.2 Classification and subsequent measurement

The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:
- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

1.15.2.1 Debt instruments at amortised costs

A debt instrument' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.15.2.2 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.15.2.3 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.16 Financial Liabilities

1.16.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Company's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

1.16.2 Loans, Debenture and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

1.16.3 Reclassification of financial assets and liabilities

The Company doesn't 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.

1.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

1.18 Impairment of financial assets

1.18.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, (in this section all referred to as 'financial instruments'). 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 or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined further in

The 12months ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments.

The company has established a policy to perform an assessment, at the end of each reporting period, whether credit risk of a financial asset has increased significantly since initial recognition and while determining this & estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available with the company. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

1.18.2 The calculation of ECLs

The Company calculates ECLs based on a probability weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. 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 key elements of the ECL calculations are as follows:

• 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 year, if the facility has not been previously derecognised and is still in the portfolio.
• EAD - The Exposure at Default is the current exposure as on the reporting date.
• 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 actual cash flows received from the financial asset, including from the realisation of any collateral and discounted by EIR. It is usually expressed as a percentage of the EAD.

The maximum year for which the credit losses are determined is the expected life of a financial instrument.
The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

1.18.3 Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

1.18.4 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

1.18.5 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

1.18.6 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

FINOVA CAPITAL PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(All Amount in lakhs, except as stated otherwise)

2 CASH AND CASH EQUIVALENTS

(Amounts in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Cash on hand	51.11	14.64	28.73
Balance with Banks			
- In current accounts	679.21	4,202.88	355.46
- In cash credit or overdraft accounts	-	-	-
- In deposits where original maturity is less than 3 month	-	25.02	-
Total	**730.32**	**4,242.54**	**384.19**

3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Amounts in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
In deposit where original maturity is more than 12 months*	8,613.87	437.23	216.76
In deposit where original maturity is more than 3 months less than 12 months**	18,434.71	3,014.34	6,007.48
	27,048.58	**3,451.57**	**6,224.24**

* In deposit where original maturity is more than 12 months include deposit under lien mark aggregating to Rs. 5,201.09 lakhs as at March 31, 2021 (March 31, 2020 Rs. 437.23 lakhs, April 01, 2019 216.76 lakhs).
** In deposit where original maturity is more than 3 months less than 12 months include deposit under lien mark aggregating to Rs. 3,346.12 lakhs as at March 31, 2021 (March 31, 2020 Rs. 231.96 lakhs, April 01, 2019 Rs. Nil).

4 LOANS (AT AMORTISED COST)

(Amounts in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Term Loans			
Total Gross	58,592.07	39,455.82	24,164.56
Less: Impairment loss allowance	834.07	955.95	469.34
Total Net	**57,758.00**	**38,499.87**	**23,695.22**
Secured by tangible assets	58,577.04	39,449.97	24,164.56
Unsecured	15.03	5.85	-
Total Gross	**58,592.07**	**39,455.82**	**24,164.56**
Less: Impairment loss allowance	834.07	955.95	469.34
Total Net	**57,758.00**	**38,499.87**	**23,695.22**
Loans in India			
Public Sector	-	-	-
Others	58,592.07	39,455.82	24,164.56
Total Gross	**58,592.07**	**39,455.82**	**24,164.56**
Less: Impairment loss allowance	834.07	955.95	469.34
Total Net	**57,758.00**	**38,499.87**	**23,695.22**

4.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property.

4.2 Loans include unsecured loans to employees aggregating to Rs. 15.03 lakhs as at March 31, 2021 (March 31, 2020 Rs. 5.85 lakhs, April 01, 2019 Rs Nil).

4.3 Impairment loss allowance includes Rs. 400.44 lakhs as at March 31, 2021 (March 31, 2020 Rs. 275.00 lakhs; April 01, 2019 Rs Nil)on account of COVID-19 provision overlay.

4.4 Loans sanctioned but un-disbursed amount is Rs. 816.20 lakhs as at March 31, 2021 (March 31, 2020 Rs 497.88 lakhs, April 01, 2019 Rs 245.78 lakhs).

4.5 The company has given impairment assessment and measurement approach in note no. 1.18 of the summary of significant accounting policies.

4.6 The company has defined risk assessment model in note no. 34.

4.7 An analysis of change in the gross carrying amount of loans secured by tangible assets and corresponding ECL allowance with respect to the all asset classes have been explained below:

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	38,354.21	966.19	129.57	39,449.97
New assets originated or increase in existing assets	26,192.77	14.09	-	26,206.86
Assets Closed or repaid	(6,237.65)	(19.62)	(0.71)	(6,257.98)
Transfers from Stage 1	(2,191.15)	1,475.94	715.21	-
Transfers from Stage 2	240.09	(614.58)	374.49	-
Transfers from Stage 3	-	-	-	-
Write offs	-	-	(821.81)	(821.81)
As at March 31, 2021	**56,358.27**	**1,822.02**	**396.75**	**58,577.04**

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	23,548.19	511.76	105.14	24,165.09
New assets originated or increase in existing assets	20,115.60	60.14	-	20,175.74
Assets Closed or repaid	(4,523.27)	(33.28)	(74.86)	(4,631.41)
Transfers from Stage 1	(846.23)	731.57	114.66	-
Transfers from Stage 2	53.98	(308.90)	254.92	-
Transfers from Stage 3	5.94	4.90	(10.84)	-
Write offs	-	-	(259.45)	(259.45)
As at March 31, 2020	**38,354.21**	**966.19**	**129.57**	**39,449.97**

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2020	**824.27**	**63.23**	**68.45**	**955.95**
New assets originated or increase in existing assets	571.94	14.92	-	586.86
Assets Closed or repaid	(623.51)	0.28	-	(623.23)
Transfers from Stage 1	(435.44)	279.67	155.77	-
Transfers from Stage 2	7.95	(29.25)	21.30	-
Transfers from Stage 3	-	-	-	-
Write offs	-	-	(85.51)	(85.51)
As at March 31, 2021	**345.21**	**328.85**	**160.01**	**834.07**

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2019	**338.38**	**36.85**	**94.11**	469.34
New assets originated or increase in existing assets	555.56	4.85	-	560.41
Assets Closed or repaid	(61.44)	32.03	1.45	(27.94)
Transfers from Stage 1	(15.38)	10.49	4.89	-
Transfers from Stage 2	3.79	(22.99)	19.20	-
Transfers from Stage 3	3.36	1.98	(5.34)	-
Write offs	-	-	(45.86)	(45.86)
As at March 31, 2020	**824.27**	**63.23**	**68.45**	**955.95**

5 INVESTMENTS (THROUGH PROFIT & LOSS)

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2020	As at April 01, 2019
Investment in Liquid Funds*	10,563.07	707.93	4,093.82
Gross (A)	**10,563.07**	**707.93**	**4,093.82**
Overseas Investments	-	-	-
Investments in India	10,563.07	707.93	4,093.82
Gross (B)	**10,563.07**	**707.93**	**4,093.82**
Total (A) to tally with (B)	**10,563.07**	**707.93**	**4,093.82**
Less: Allowance for Impairment loss (C)	-	-	-
Total Net D = (A) -(C)	**10,563.07**	**707.93**	**4,093.82**

* Investment in liquid funds includes investment under lien aggregating to Rs. 1,203.84 lakhs as at March 31, 2021 (March 31, 2020 Rs. 707.93 lakhs; April 01, 2019 Rs. Nil) towards over draft borrowings from Bank.

6 OTHER FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Security Deposit	18.00	17.35	9.37
Fixed deposit with financial institution*	844.72	304.98	-
Other receivables	61.96	103.87	46.07
	924.68	**426.20**	**55.44**

* Fixed deposit with financial institution include deposit lien mark aggregating to Rs. 321.09 lakhs as at March 31, 2021 (March 31, 2020 Rs. 304.98 lakhs; April 01, 2019 Rs. Nil).

(All Amount in lakhs, except as stated otherwise)

7(a) PROPERTY PLANT AND EQUIPMENT

Particulars	Lease Hold Improvements	Computer & Printers	Office Equipments	Electrical installations	Vehicles	Furniture & Fixtures	Total
Cost							
At April 1, 2019	33.44	49.44	31.23	18.75	80.53	96.26	**309.65**
Additions	113.36	37.40	23.59	-	-	40.38	**214.73**
Disposals	-	0.35	-	-	-	-	**0.35**
At March 31, 2020	**146.80**	**86.49**	**54.82**	**18.75**	**80.53**	**136.64**	**524.03**
Additions	57.18	39.68	13.21	-	-	28.98	**139.05**
Disposals	0.19	0.21	-	-	-	0.12	**0.52**
At March 31, 2021	**203.79**	**125.96**	**68.03**	**18.75**	**80.53**	**165.50**	**662.56**
Depreciation							
At April 1, 2019	**2.83**	**14.63**	**7.50**	**1.71**	**5.61**	**11.35**	**43.63**
Charge for the year	25.67	19.64	8.31	1.78	9.56	10.88	**75.84**
Disposals	-	0.13	-	-	-	-	**0.13**
At March 31, 2020	**28.50**	**34.14**	**15.81**	**3.49**	**15.17**	**22.23**	**119.34**
Charge for the year	47.15	29.13	11.14	1.99	9.56	15.52	**114.49**
Disposals	0.00	0.04	-	-	-	0.02	**0.06**
At March 31, 2021	**75.65**	**63.23**	**26.95**	**5.48**	**24.73**	**37.73**	**233.77**
Net book value							
At April 01, 2019	**30.60**	**34.82**	**23.72**	**17.04**	**74.92**	**84.92**	**266.02**
At March 31, 2020	**118.30**	**52.35**	**39.01**	**15.26**	**65.36**	**114.41**	**404.69**
At March 31, 2021	**128.14**	**62.73**	**41.08**	**13.27**	**55.80**	**127.77**	**428.79**

7(b) RIGHT OF USE OF ASSETS

ROU Assets	Amount
Cost	
At April 1, 2019	121.65
Additions	204.70
At March 31, 2020	326.35
Additions	52.81
At March 31, 2021	379.17
Depreciation	
At April 1, 2019	-
Charge for the year	**45.03**
At March 31, 2020	45.03
Charge for the year	55.35
At March 31, 2021	100.38
Net book value	
At April 01, 2019	121.65
At March 31, 2020	281.32
At March 31, 2021	278.79

7(c) INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets	Software	Total
Cost		
At April 1, 2019		
Additions	21.69	21.69
Asset capitalized during the year	-	-
At March 31, 2020	**21.69**	**21.69**
Additions	21.63	21.63
Asset capitalized during the year	(21.69)	(21.69)
At March 31, 2021	**21.63**	**21.63**

7(d) OTHER INTANGIBLE ASSETS

	Software	- Copyright	Trademark	Total
Cost				
At April 1, 2019	4.21	0.23	0.15	**4.59**
Capitalised during the year				
Additions	0.14	-	-	**0.14**
Disposals	-	-	-	**-**
At March 31, 2020	4.35	0.23	0.15	**4.73**
Capitalised during the year				
Additions	71.48	-	-	71.48
Disposals	-	-	-	-
At March 31, 2021	**75.82**	**0.23**	**0.15**	**76.20**
Amortization				
At April 1, 2019	1.55	0.08	0.05	**1.68**
Charge for the year	0.84	0.05	0.03	**0.92**
At March 31, 2020	**2.39**	**0.13**	**0.08**	**2.60**
Charge for the year	3.01	0.04	0.03	**3.08**
At March 31, 2021	**5.40**	**0.17**	**0.11**	**5.68**
Net book value				
At April 01, 2019	**2.66**	**0.15**	**0.10**	**2.91**
At March 31, 2020	**1.95**	**0.10**	**0.07**	**2.12**
At March 31, 2021	**70.42**	**0.06**	**0.04**	**70.52**

8 OTHER NON-FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Prepaid Expenses	30.91	3.79	13.24
Total	**30.91**	**3.79**	**13.24**

9 TRADE PAYABLES

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Total outstanding dues of Micro Enterprises and Small Enterprises	1.77	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	278.65	283.87	236.65
Total	**280.42**	**283.87**	**236.65**

There are Rs. 1.77 lakh amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises as on March 31, 2021. For the year ended March 31, 2020, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED. Interest payment on delay payment was Nil for March 31,2021 (for P.Y. 2019-20 Nil)

10 DEBT SECURTIES (AT AMORTISED COST)

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Secured			
Non Convertible Debentures (Refer Note 10.1)	8,451.29	-	-
Unsecured		-	-
Total gross (A)	**8,451.29**	**-**	**-**
Debt securities in India	8,451.29	-	-
Debt securities outside India	-	-	-
Total (B) to tally with (A)	**8,451.29**	**-**	**-**

* Non convertible Debenture are fully secured by way of hypothecation of loan asset.

10.1 DETAILS OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

(Amount in lakhs)

Sr. No	ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest	Face value	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019	Secured/ Unsecured
1	INE0DTO07012	18-Aug-20	18-Aug-23	150	10.86%	10	1,579.78	-	-	Secured
2	INE0DTO07020	18-Sep-20	21-Apr-23	100	10.86%	10	1,004.18	-	-	Secured
3	INE0DTO07061	24-Dec-20	24-Feb-22	1000	12.00%	1	1,045.86	-	-	Secured
4	INE0DTO07079	24-Dec-20	23-Jun-23	1000	12.10%	1	1,045.86	-	-	Secured
5	INE0DTO07053	24-Dec-20	24-Dec-24	1000	12.15%	1	1,045.86	-	-	Secured
6	INE0DTO07038	28-Oct-20	28-Oct-24	2500	11.50%	1	2,335.30	-	-	Secured
7	INE0DTO07046	29-Oct-20	29-Oct-23	40	12.40%	10	394.45	-	-	Secured
Total							**8,451.29**	**-**	**-**	

10.2 Non convertible debenture are redeemable at par.

11 BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

(Amount in lakhs)

At amortised cost	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Secured			
Term loans			
From Banks	24,132.03	15,442.79	6,433.85
From Others	15,884.92	15,750.63	12,541.65
Total	**40,016.95**	**31,193.42**	**18,975.50**
Others			
Overdraft credit from Bank	3,891.07	-	-
Total	**3,891.07**	**-**	**-**
Borrowings in India	43,908.02	31,193.42	18,975.50
Borrowings outside India	-	-	-
Total	**43,908.02**	**31,193.42**	**18,975.50**

11.1 Secured term loans from banks amounting to Rs. 24,132.03 lakhs carry rate of of interest in the range of 8.50% to 13.90% p.a. The loans are having tenure of 3 to 7 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company.

11.2 Secured term loans from financial institutions amount to Rs. 15,884.92 lakhs carry rate of interest in the range of 6.85% to 14.25% p.a. The loans are having tenure of 0.75 year to 7.0 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company.

11.3 Overdraft borrowings from the bank amounting to Rs. 3,891.08 lakhs are secured by mutual fund placed by the company, are repayable on demand and carry an interest rate of 8.45% p.a.

11.4

The company has not defaulted in the repayment of dues to its lenders and the company does not have unsecured borrowings.

11.5 CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

(Amount in lakhs)

Particulars	As at March 31, 2020	Cash flows	Other*	As at March 31, 2021
Debt securities	-	8,441.67	9.62	**8,451.29**
Borrowings	31,193.42	12,811.71	(97.12)	**43,908.02**
Total	**31,193.42**	**21,253.38**	**(87.49)**	**52,359.31**

(Amount in lakhs)

Particulars	As at April 01, 2019	Cash flows	Other*	As at March 31, 2020
Debt securities	-	-	-	-
Borrowings	18,975.50	**12,308.42**	**(90.50)**	**31,193.42**
Total	**18,975.50**	12,308.42	**(90.50)**	**31,193.42**

* Other column includes amortisation of transaction cost.

11.6 TERM OF REPAYMENT OF LONG TERM BORROWING OUTSTANDING AS AT MARCH 31, 2021

(Amount in lakhs)

Particulars	Interest rate Range	No. Of Installments	As at March 31, 2021	As at March 31, 2020
Secured monthly repayment				
Less than 1 Year	Upto 10%	49	1,981.63	12.64
	More than 10% and upto 12%	610	7,223.92	2,054.87
	More than 12% and upto 14%	107	1,883.35	4,991.26
	More than 14%	1	5.58	202.69
Due 1 to 3 years	Upto 10%	95	3,484.40	43.16
	More than 10%	1097	12,675.39	4,116.41
	More than 12% and upto 14%	130	2,547.39	8,385.67
	More than 14%	-	-	5.57
Due 4 to 5 years	Upto 10%	54	1,922.09	-
	More than 10% and upto 12%	472	5,103.53	2,244.79
	More than 12% and upto 14%	14	323.57	4,512.31
	More than 14%	-	-	-
More than 5 years	Upto 10%	-	-	-
	More than 10% and upto 12%	25	271.20	433.02
	More than 12% and upto 14%	-	-	705.79
	More than 14%	-	-	-
Secured quarterly repayment			-	-
Less than 1 Year	Upto 10%	-	-	-
Less than 1 Year	More than 10% and upto 12%	8	355.67	358.42
	More than 12% and upto 14%	4	335.70	336.66
Due 1 to 3 years	More than 10% and upto 12%	13	533.03	680.68
	More than 12% and upto 14%	3	249.04	579.01
Due 4 to 5 years	More than 10% and upto 12%	7	249.48	334.52
	More than 12% and upto 14%	-	-	-
More than 5 years	More than 10% and upto 12%	-	-	107.05
	More than 12% and upto 14%	-	-	-
Secured half yearly repayment			-	-
Less than 1 Year	More than 12% and upto 14%	2	223.84	225.41
Due 1 to 3 years	More than 12% and upto 14%	4	431.71	431.04
Due 4 to 5 years	More than 12% and upto 14%	2	216.43	432.45
Total		**2,697.00**	**40,016.95**	**31,193.42**

12 OTHER FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Salaries and wages payable	776.70	121.38	257.58
Other financial liabilities	320.17	23.92	137.27
Total	**1,096.87**	**145.30**	**394.85**

13 PROVISIONS

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Provision for employee benefits			
Provision for gratuity	61.18	37.66	14.45
Leave availment	-	-	13.33
Other Provisions			
Provision for Taxation (Net of Advance Tax)	-	-	16.29
Total	**61.18**	**37.66**	**44.07**

14 OTHER NON-FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2020	As at April 01, 2019
Statutory Dues Payable	138.92	46.65	58.07
Total	**138.92**	**46.65**	**58.07**

15 EQUITY SHARE CAPITAL

Details of authorized, issued, subscribed, paid up and partly paid up share capital (Amount in lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at April 01, 2019**
Authorized share Capital			
6,000,000 (March 31, 2020 6,000,000; April 01, 2019 6,000,000) Equity Shares of Rs. 10/- each	600.00	600.00	600.00
10,500,000 ((March 31, 2020 6,500,000; April 01, 2019 6,500,000) 0.0001% Compulsory Convertible Cumulative Preference Shares ("CCCPS") of Rs. 100/- each	10,500.00	6,500.00	6,500.00
	11,100.00	**7,100.00**	**7,100.00**
Issued , Subscribed , Paid up capital & Partly Paid up capital			
Equity Share Capital			
5,016,060 (March 31, 2020 5,000,020; April 01, 2019 5,000,020) Equity Shares of Rs. 10/- each fully paid up	501.61	500.00	500.00
Sub Total (A)	**501.61**	**500.00**	**500.00**
Compulsory Convertible Cumulative Preference Shares			
Fully paid up			
Series A Compulsory Convertible Cumulative Preference Share Capital			
3,330,425 (March 31, 2020 3,330,425; April 01, 2019 3,330,425) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	3,330.43	3,330.43	3,330.43
Series B Compulsory Convertible Cumulative Preference Share Capital			
2,817,399 (March 31, 2020 28,17,399; April 01, 2019 28,17,399) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	2,817.40	2,817.40	2,817.40
Series C Compulsory Convertible Cumulative Preference Share Capital			
3,500,212 (March 31, 2020 Nil; April 01, 2019 Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	3,500.21	-	-
Series A-1 Compulsory Convertible Cumulative Preference Share Capital			
8,000 (March 31, 2020 Nil; April 01, 2019 Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	8.00	-	-
Partly Called-Up and Paid up Capital			
Series A-1 Compulsory Convertible Cumulative Preference Share Capital			
20,000 (March 31, 2020 28,000; April 01, 2019 28,000) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.20	0.28	0.28
Series A-2 Compulsory Convertible Cumulative Preference Share Capital			
18,000 (March 31, 2020 Nil; April 01, 2019 Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.18	-	-
Series C-1 Compulsory Convertible Cumulative Preference Share Capital			
42,000 (March 31, 2020 Nil; April 01, 2019 Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.42	-	-
Series C Compulsory Convertible Cumulative Preference Share Capital			
138,516 (March 31, 2020 Nil; April 01, 2019 Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	-	-
Series B Compulsory Convertible Cumulative Preference Share Capital			
138,516 (March 31, 2020 1,38,516; April 01, 2019 1,38,516) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	1.39	1.39
Sub Total (B)	**9,659.61**	**6,149.49**	**6,149.49**
Total (A+B)	**10,161.21**	**6,649.49**	**6,649.49**

15.1 Terms/right attached to shares

Equity Shares

a) The company has only one class of Equity Shares having par value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of company, the holders of Equity Shares will be entitled to receive the 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 adjusted by the partly paid up value of the share, if applicable.

b) During the year ended on March 31, 2021. The company has issued 16,040 Equity Shares of Rs. 10/- each fully paid-up. 10 Equity Shares were allotted to the SCI Growth Investments III and 16030 equity shares were allotted under the ESOP Scheme 2018 by way of conversion of Employee Stock Options into Equity Shares.

Preference Shares

a)The company issued 33,30,425 Series A CCCPS of Rs. 100/- each fully paid up. The CCCPS holders are entitled to dividend of 0.0001% cumulative. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated September 2, 2017.

b) The company issued 28,17,399 Series B CCCPS of Rs. 100/- each fully paid up, 28,000 Series A-1 CCCPS of Rs. 100/- each Rs-1 Paid up and 1,38,516 Series B CCCPS of Rs. 100/- Rs 1 Paid up. The CCCPS holders are entitled to dividend of 0.0001% cumulative. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated March 6, 2019.

c) During the year ended March 31, 2021, the company has issued 35,00,212 Series C CCCPS of Rs. 100/- each fully paid up and 1,38,516 Series C CCCPS of Rs. 100/- each Re/-1 partly paid up. The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated September 21, 2020.

d) During the year ended March 31, 2021, the company has issued 18,000 Series A-2 CCCPS of Rs. 100/- Re/-1 partly paid up and 42,000 Series C-1 CCCPS of Rs. 100/- Re/-1 partly paid up. The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per Private Placement Offer cum Application Letter dated January 16, 2021.

15.2 RECONCILATION OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR

Reconciliation of number of Equity Shares outstanding is set out below: (Amount in lakhs, except as stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	50,00,020	500	50,00,020	500	50,00,020	500
Equity Shares issued during the year						
Share issued during the year of Rs. 10 each	10	0	-	-	-	-
Share issued under ESOP	16,030	2	-	-	-	-
Equity Share at the end of year	**50,16,060**	**502**	**50,00,020**	**500**	**50,00,020**	**500**

Reconciliation of number of Preference Shares outstanding is set out below: (Amount in lakhs, except as stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Preference Share at the beginning of year	63,14,340	6,149.49	63,14,340	6,149.49	33,30,425	3,330.43
Preference Shares issued during the year	36,98,728	3,510.12	-	-	29,83,915	2,819.06
Preference Share at the end of year	**1,00,13,068**	**9,659.61**	**63,14,340**	**6,149.49**	**63,14,340**	**6,149.49**

15.3 DETAILS OF SHAREHOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Details of shareholders holding more than 5% Equity Shares set out below:						
Mohit Sahney	26,00,000	52%	26,00,000	52%	26,00,000	52%
Prashant Gupta	8,00,000	16%	8,00,000	16%	8,00,000	16%
Ravinder Singh	8,00,000	16%	8,00,000	16%	8,00,000	16%
Sunita Sahney	5,56,980	11%	5,50,000	11%	5,50,000	11%
Laxmi Narayan	2,50,000	5%	2,50,000	5%	2,50,000	5%
Total	**50,06,980**	**100%**	**50,00,000**	**100%**	**50,00,000**	**100%**
Compulsorily convertible preference shares of Rs. 10 each fully paid up						
SCI Investments V	44,16,388	44%	44,16,388	70%	44,16,388	70%
Faering Capital Fund II	14,72,231	15%	11,02,059	17%	11,02,059	17%
Faering Capital Fund III	8,40,780	8%	6,29,377	10%	6,29,377	10%
SCI Investments III	29,26,637	29%		0%		0%
Total	**96,56,036**	**96%**	**61,47,824**	**97%**	**61,47,824**	**97%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

16 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Securities Premium			
Balance at the beginning of the period	**8,125.58**	**8,125.58**	**913.72**
Add: Premium on Shares issued during the year	22,539.90	-	7,352.60
Less: Premium utilised during the year for issue of shares (Net of tax)	(81.76)	-	(140.74)
Closing Balance at the end of the period	**30,583.72**	**8,125.58**	**8,125.58**
Statutory Reserve Fund under Section 45-IC of RBI Act, 1934			
Balance at the beginning of the period	**465.87**	**240.18**	**99.86**
Add: Transfer from Surplus in the Statement of Profit and Loss*	331.20	225.69	140.32
Closing Balance at the end of the period	**797.07**	**465.87**	**240.18**
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the period	**1,281.02**	**333.56**	**(227.72)**
Add: Profit for the year	1,656.00	1,173.15	701.60
Less: Transfer to Reserve Fund as per Section 45-IC of RBI Act, 1934	(331.20)	(225.69)	(140.32)
Closing Balance at the end of the period	**2,605.82**	**1,281.02**	**333.56**
Share based payment reserve			
Balance at the beginning of the period	30.53	6.80	-
Add: Share Based Payments during the year	11.66	23.73	6.80
Closing Balance at the end of the period	**42.19**	**30.53**	**6.80**
Total Reserves and Surplus	**34,028.80**	**9,903.00**	**8,706.12**

*** Represents transfer of 20% of Net profit after Tax in accordance with the provisions of Sec 45-IC of Reserve Bank of India Act, 1934**

16.1 Nature and purpose of reserves

Securities Premium

Securities Premium Account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013

Share based payment reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at the grant date fair value on stock options vested but not exercised by employees in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the company.

Statutory reserve u/s 45-IC of RBI Act

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

17 INTEREST INCOME (MEASURED AT AMORTISED COST)

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Loans	10,752.21	7,346.91
Interest on deposits with bank	932.72	381.42
Total	**11,684.93**	**7,728.33**

18 FEES AND COMMSISSION INCOME

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fee Income	548.17	419.53
Total	**548.17**	**419.53**

19 NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)		
On trading portfolio		
- Mutual fund investment at FVTPL	270.98	425.78
Total Net gain/(loss) on fair value changes	**270.98**	**425.78**
Analysis of fair value changes		
Realised	219.22	454.48
Unrealised	51.76	(28.70)
Total Net gain/(loss) on fair value changes	**270.98**	**425.78**

20 OTHER INCOME

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other non-operating Income	5.44	0.05
Total	**5.44**	**0.05**

21 FINANCE COST

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on financial liabilities (measured at amortised cost)		
Borrowings	4,212.13	3,089.22
Debt securities	480.37	-
Lease liability	34.68	26.99
Others		
Bank charges	29.40	6.92
Total	**4,756.58**	**3,123.13**

22 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

(Amount in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Loan assets	(121.88)	486.61
Loan assets written off (net of recoveries)	904.25	282.29
Total	**782.37**	**768.90**

23 EMPLOYEE BENEFITS EXPENSES

(Amount in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Salaries and wages	3,551.80	2,085.70
Contribution to provident and other funds	176.24	118.79
Share Based Payments to employees	11.66	23.73
Gratuity Exp	31.38	21.20
Compensated absences	-	(13.33)
Staff welfare expenses	32.44	30.80
Total	**3,803.52**	**2,266.89**

23.1 Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed in accordance with the rules as prescribed under the payment of Gratuity Act, 1972.

In accordance with applicable India laws, the Company provides gratuity, a defined benefit retirement plan ("Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Opening defined benefit obligation	37.66	14.45
Current service cost	28.82	20.19
Interest cost on benefit obligation	2.56	1.01
Benefits paid during the year	-	-
Remeasurement (gain)/loss on obligation	(7.86)	2.01
Closing defined benefit obligation	**61.18**	**37.66**

Balance Sheet

Net defined benefit liability

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Present value of defined benefit obligation	61.18	37.66
Fair value of plan assets		
Plan liability	**61.18**	**37.66**

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	28.82	20.19
Interest cost	2.56	1.01
Return on plan assets	-	-
Net remeasurement (gain) / loss recognized in the year	(7.86)	2.01
Net expense	**23.52**	**23.21**

Remeasurement (gains)/ loss recognised in other comprehensive income:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(8.62)	2.01
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	0.76	-
Remeasurement (gain) / loss arising during the year	**(7.86)**	**2.01**

The principle assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.80%	7.00%
Salary escalation rate	5.00%	5.00%
Withdrawal rate	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Effect of 1% change in assumed discount rate		
+1% increase	54.96	33.87
- 1% decrease	68.57	42.15
(b) Effect of 1% change in assumed salary escalation rate		
+1% increase	68.63	42.20
- 1% decrease	54.81	33.47
(c) Effect of 1% change in assumed withdrawal rate		
+ 1% increase	60.90	37.42
- 1% decrease	61.26	37.76

23.2 According to the company policy , leave balances are not carried forward to next years and any balance of leave outstanding as at year end is lapsed, therefore there is no provision for leave encashment as at March 31, 2021 and March 31, 2020.

24 OTHER EXPENSES

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent, Rates and Taxes	143.38	82.01
Repair and Maintenance Expenditure	7.60	11.74
Technology Expenses	63.04	80.23
Printing & Stationery	19.82	20.98
Business/Sales Promotion Expenses	5.19	5.85
Audit Fee (Refer Note 24.1 below)	27.08	12.00
Professional and Consultancy Charges	229.23	200.42
Postage, telegram & Telephone Expenditure	26.49	18.26
CSR Activities Expenses	20.28	11.04
Office & General Expense	59.23	70.16
Travel and Conveyance	55.57	95.66
Electricity Charges & Water Charges	22.64	18.42
Insurance	8.98	3.34
Direct Marketing Exp	-	0.62
Miscellaneous Expenses	98.32	95.86
Total	**786.85**	**726.59**

24.1 Audit Fees, Limited review , Other services (certification fee)

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	13.08	12.00
Certifications	9.00	-
Limited review	5.00	-
	27.08	**12.00**

24.2 Amount spent towards Corporate social responsibility (CSR)

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Amount unspent for the last year	-	-
b) Gross amount required to be spent by the company during the year	19.33	10.86
c) Amount spent during the year ending on 31st March:		
(i) Construction/acquisition of any asset	16.28	8.34
(ii) On purposes other than (i) above	4.00	2.70
Paid in cash	20.28	11.04
Yet to be paid in cash	-	-
	20.28	**11.04**

25 EARNING PER SHARE

Following reflects the profit and share data used in basic and diluted EPS computation: (Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit/ (loss) for calculation of basic EPS and diluted EPS*	1,656.00	1,173.15
Weighted average number of equity shares in calculating basic EPS		
Equity shares (in lakhs)	126.49	111.50
Weighted average number of equity shares for computation of Diluted EPS (in lakhs)	129.70	113.90
Earning per equity share		
Basic	13.09	10.52
Diluted	12.77	10.30

26 INCOME TAX

The major components of income tax expense for the years ended March 31, 2021 are :

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Income Tax:		
Current Income Tax Charge	547.29	537.71
Deferred Tax :		
Relating to the origination and reversal of temporary differences	9.82	(145.97)
Income tax expense reported in Profit & Loss	**557.11**	**391.74**
Deferred tax relating to the OCI		
Net loss/(gain) on re-measurement of defined benefit Plan	**(2.01)**	**0.51**
Total Tax	**555.10**	**392.25**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March, 31 2021

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax as per profit and loss	2,207.26	1,566.39
Income tax Rate (%)	25.17	25.17
Income tax as per Income Tax Act	**555.53**	**394.22**
CSR Expenses	5.10	2.83
Short term capital gain	(17.56)	(37.04)
Change in tax rate	-	38.96
Other*	14.03	(7.21)
Tax at the effective Income Tax rate	**557.11**	**391.74**
Tax on other comprehensive Income	(2.01)	0.51
Total Tax expense at effective tax rate	**555.10**	**392.25**

*Other includes - expenses disallowed under income tax and capital nature expenses.

27 DEFERRED TAX ASSET

(Amount in lakhs)

Deferred tax liabilities/(assets)	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Deferred tax assets			
Difference between tax depreciation and depreciation/amortisation charged in financial statement	8.08	3.99	-
Provision for gratuity	15.40	9.65	7.73
Impairment on loans	211.24	215.10	63.08
Impact of EIR and ECL adjustments on financial asset	243.54	231.41	245.76
Employee stock option outstanding	10.62	7.68	1.71
Impact of Lease assets	9.88	5.31	
Preliminary Exp to be written off	2.00	2.02	0.32
Gross deferred tax asset (Total A)	500.76	475.17	318.59
Deferred tax liability			
Difference between tax depreciation and depreciation/amortisation charged	-	-	(3.79)
Unrealised Gain	(13.39)	-	(8.38)
Impact of EIR adjustments on financial liabilities	(70.51)	(48.49)	(25.72)
Gross deferred tax liability (Total B)	(83.90)	(48.49)	(37.89)
Net Deferred Tax Liability (Total A- Total B)	416.86	426.67	280.71

Deferred Tax charged to statement of profit and loss account

(Amount in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impairment on loans	3.84	(196.53)
Provision for gratuity	(5.75)	(7.12)
Difference between tax depreciation and depreciation/amortisation charged	(4.09)	(2.03)
Preliminary Exp to be written off	-	(2.03)
Unrealized gain on investment	13.39	-
Impact of EIR and ECL adjustments on financial asset	(12.13)	14.35
Impact of EIR adjustments on financial liabilities	22.02	22.78
Employee stock option outstanding	(2.89)	(5.97)
Impact of change in rate	-	34.95
Impact of Lease assets	(4.57)	(4.37)
Deferred Tax charged to statement of profit and loss account	**9.82**	**(145.97)**

28 STOCK OPTION

i. The Company has formulated share based payment scheme for its employees named as Employee Stock Option Plan 2018. The grants made under this scheme are represented as below:

Particulars	ESOP Scheme 2018 (I)	ESOP Scheme 2018 (II)	ESOP Scheme 2018 (III)
Date of grant	01-Nov-18	07-Jan-19	03-Jul-19
Date of Board / Compensation Committee approval	01-Nov-18	07-Jan-19	03-Jul-19
Options approved	103900	23000	78500
Method of settlement	Equity	Equity	Equity
Graded vesting period:			
One year from the date of grant	20%	20%	20%
On expiry of one year from the 1st vesting date	20%	20%	20%
On expiry of two years from the 1st vesting date	30%	30%	30%
On expiry of three years from the 1st vesting date	30%	30%	30%
Exercise period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Vesting conditions	Continuous service	Continuous service	Continuous service
Weighted average remaining contractual life (in years)	6.59	6.77	7.26
Weighted average exercise price per option (in Rs.)	175	175	361
Weighted average fair value of stock options granted	36	35	83
For the year ended March 31, 2021			
beginning of the year	73,800	18,500	78,500
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	10,960	950	4,120
Expired/Lapsed during the year	19,000	4,000	11,700
Outstanding at the end of the year	43,840	13,550	62,680
Exercisable at the end of the year	10,960	4,850	9,440
For the year ended March 31, 2020			
Options outstanding at the	1,03,900	23,000	-
Granted during the year	-	-	78,500
Forfeited during the year	-	-	-
Exercised during the year	-	-	-
Expired/Lapsed during the year	30,100	4,500	-
Outstanding at the end of the year	73,800	18,500	78,500
Exercisable at the end of the year	14,760	3,700	-

ii. Computation of fair value of options granted during the year ended March 31, 2021
Nil options granted during the year ended March 31, 2021

iii. Computation of fair value of options granted during the year ended March 31, 2020
The company measure the cost of Employee Stock option using the fair value method and has calculated fair value of option at the time of grant using Black-scholes pricing model with the following assumptions:

Particulars	**ESOP Scheme 2018 (III)**
Share price on the date of grant	360.97
Exercise price (Rs.)	360.97
Expected volatility (%)	22.26%
Life of the options granted (years)	Tranch 1 - 1 years
	Tranch 2 - 2 years
	Tranch 3 - 3 years
	Tranch 4 - 4 years
Risk-free interest rate (%)	6.59%
Expected dividend rate (%)	-
Fair value of the option (Rs.)	Tranch 1 - 43.81
	Tranch 2 - 69.03
	Tranch 3 - 90.92
	Tranch 4 - 110.25

(Amount in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Expenses charged for the period	11.66	23.73
Employee stock options outstanding balance	47.59	35.93

29 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2021, are the first financial statements the Company and have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020 the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March,2021, together with the comparative period data as at and for the year ended March 31, 2020 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2019 the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended March 31, 2020.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

a) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

b) Impairment of financial

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2019.

c) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

The Company has elected to continue with the carrying value for all of its plant and equipment's, Intangible assets and work in progress as of April 1. 2019 (transitions date) measured as per the previous Indian GAAP financial and use that carrying value as its deemed cost as of the transition date.

Use of Estimates

The estimates at April 1, 2019, March 31, 2020 and March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments:

- Fair valuation of financials instruments carried at FVTPL and FVOCI
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2019 the date of transition to Ind AS, and as of March 31, 2020.

30 Reconciliation of Equity and Profit and Loss account

30.1 Reconciliation of Equity as at April 1, 2019 & March 31, 2020

(Amount in Lakhs)

Particulars	Notes	March, 31 2020			April, 1 2019		
		Indian GAAP	IND AS Adjustments	IND AS	Indian GAAP	IND AS Adjustments	IND AS
ASSETS							
Financial Assets							
Cash and cash equivalents	2	4,242.52	0.02	4,242.54	384.19	-	384.19
Bank balance other than Cash and cash equivalents	3	3,332.75	118.82	3,451.57	6,205.00	19.24	6,224.24
Loans	4	38,718.74	(218.87)	38,499.87	24,374.50	(679.28)	23,695.22
Investments	5	707.93	-	707.93	4,093.82	-	4,093.82
Other financial assets	6	1,290.96	(864.76)	426.20	418.09	(362.66)	55.44
Non- Financial assets							
Current tax assets		85.56	-	85.56	48.97	-	48.97
Deferred tax assets (net)	27	230.77	195.91	426.67	23.05	257.66	280.71
Property, plant and equipment	7(a)	404.69	-	404.69	266.02	-	266.02
Right to use asset	7(b)	-	281.33	281.33	-	121.65	121.65
Intangible assets under development	7(c)	21.69	-	21.69	-	-	-
Other Intangible Assets	7(d)	2.12	-	2.12	2.91	-	2.91
Other non- financial assets	8	3.79	-	3.79	13.24	-	13.24
Total Assets		**49,041.52**	**(487.56)**	**48,553.96**	**35,829.80**	**(643.39)**	**35,186.41**
LIABILITIES							
Financial Liabilities							
Trade Payables	9	283.87	-	283.87	236.65	-	236.65
Borrowings (other than Debt Securities)	11	31,207.50	(14.08)	31,193.42	18,926.48	49.02	18,975.50
Other financial liabilities	12	361.38	(216.08)	145.30	588.56	(193.71)	394.85
Lease liabilities		-	294.56	294.56	-	121.66	121.66
Non Financial liabilities							
Provisions	13	37.66	-	37.66	44.07	-	44.07
Other Non-financial liabilities	14	46.65	-	46.65	58.07	-	58.07
Equity							
Equity share capital	15	6,649.49	-	6,649.49	6,649.49	-	6,649.49
Other equity	16	10,454.96	(551.96)	9,903.00	9,326.49	(620.37)	8,706.12
Total Liability		49,041.51	(487.56)	48,553.95	35,829.80	(643.39)	35,186.41

30.2 Reconciliation of Statement of Profit and loss account for the period ended March 31, 2020

(Amount in Lakhs)

Particulars	Notes	March, 31 2020		
		Indian GAAP	IND AS Adjustments	IND AS
Revenue from operations				
Interest Income	17	7,400.94	327.39	7,728.33
Fees and commission Income	18	1,043.37	(623.84)	419.53
Net gain on fair value changes	19	425.78	-	425.78
Total revenue from operations		8,870.09	(296.45)	8,573.64
Other Income	20	0.05	-	0.05
Total Income		**8,870.14**	**(296.45)**	**8,573.69**
Expenses				
Finance Costs	21	3,186.63	(63.50)	3,123.13
Impairment on financial instruments	22	1,122.38	(353.48)	768.90
Employee Benefits Expense	23	2,245.17	21.72	2,266.89
Depreciation, amortization and impairment	7 (a) (c) (d)	76.76	45.03	121.79
Other expenses	24	781.24	(54.65)	726.59
Total Expenses		**7,412.18**	**(404.88)**	**7,007.30**
Profit before exceptional items & tax		**1,457.96**	**108.43**	**1,566.39**
Exceptional Items		-	-	-
Profit Before Tax		**1,457.96**	**108.43**	**1,566.39**
Tax Expenses				
- Current tax		537.20	0.51	537.71
- Deferred tax		(207.72)	61.75	(145.97)
Profit After Tax		**1,128.48**	**46.17**	**1,174.65**
Other Comprehensive Income				
a) Items that will not be reclassified to profit or loss				
(i) Items that will not be reclassified to profit or loss		-	(2.01)	(2.01)
(ii) Re-measurement of net defined benefit plans		-	0.51	0.51
b) Income tax relating to items that will not be reclassified to profit and loss		-	-	-
Other Comprehensive Income		**-**	**(2.53)**	**(2.53)**
Total Comprehensive Income for the year		**1,128.48**	**43.64**	**1,172.12**

30.3 Foot notes to the Reconciliation of Equity as At April 1, 2019 and March 31, 2020 and Profit and loss for the year ended March, 31 2020

1. Loan & Advances

(i) Under Indian GAAP, the Company has created provision for loans and advances based on the guidelines on prudential norms issued by Reserve Bank of India (RBI). Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). The differential impact has been adjusted in statement of Profit and loss/Retained earnings during the year.

(ii) Under Indian GAAP, NPA provision along with Standard asset provision has been disclosed under Provisions. Under Ind AS the ECL provision has been adjusted against loan balance.

(iii) Under Indian GAAP, transaction costs incurred in connection with loans and advances are amortised upfront and charged to profit or loss for the year. Under Ind AS, transaction costs are included in the initial recognition amount of financial asset measured at amortised cost and charged to profit or loss using the effective interest rate method.

2. Stock Options

Under Indian GAAP, the Company recognised only the intrinsic value for the share based payment plans as an expense. Ind AS required the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense has been recognised in the statement of profit and loss for the year ended March 31, 2020.

3. Debt securities and Borrowings (other than debt securities)
Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period and charged to statement of profit and loss for the year ended. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to statement of profit and loss using the effective interest rate method.

4. Deferred tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5. Remeasurements of post employment benefit plans
Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

6. Lease
Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all long-term lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability and the right of use assets at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application.

7. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9. Compulsory Convertible Preference shares (CCPS)
Compulsory Convertible Preference shares (CCPS) have been classified as Equity, as there is no contractual obligation to deliver cash or another financial asset to another entity; and is to be settled in fixed number of equity shares. The instrument falls within the definition of Equity instrument as per para 16 of Ind AS 32. Hence the same shall be classified and presented under Equity in Financial Statements of the Company.

10. Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

31.1 Fair values of Financial Instruments not measured at Fair Value

The carrying amounts and fair value of the Company’s financial instruments are reasonable approximations of fair values at financial statement level.

Valuation Techniques
The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payable, lease liability and other financial liabilities approximate their carrying amount largely due to short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. The following method and assumption were used to estimates the fair value of Financial asset and liabilities.

Loans- Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Debt securities and borrowing (other than debt securities) are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level.

31.2 Fair values of hierarchy

The following table provides the fair value measurement hierarchy of the company's asset and liabilities.

Quantitative disclosure fair value measurement hierarchy of Asset & Liabilities as at March 31, 2021

(Amount in Lakhs)

Particulars	Fair Value March, 31 2021			
	Level 1	Level 2	Level 3	Total
Financial Asset				
Investments in mutual funds	-	10,563.07	-	**10,563.07**

Quantitative disclosure fair value measurement hierarchy of Asset & Liabilities as at March 31, 2020

(Amount in Lakhs)

Particulars	Fair Value March, 31 2020			
	Level 1	Level 2	Level 3	Total
Financial Asset				
Investments in mutual funds	-	707.93	-	**707.93**

Quantitative disclosure fair value measurement hierarchy of Asset & Liabilities as at April 1, 2019

(Amount in Lakhs)

Particulars	Fair Value April, 1 2019			
	Level 1	Level 2	Level 3	Total
Financial Asset				
Investments in mutual funds	-	4,093.82	-	**4,093.82**

There have been no transfer between Level 1, Level 2 and Level 3 for the year ended March 31, 2021, March 31, 2020 and April 1, 2019.

31.3 Summary of Financial Asset and Liabilities which are recognized at Amortised Cost where fair value approximates their carrying value

(Amount in Lakhs)

Particulars	March, 31 2021	March, 31 2020	April 1, 31 2019
Financial Asset			
Cash & Cash Equivalents	730.32	4,242.54	384.19
Bank and Bank other than Cash & Cash Equivalents	27,048.58	3,451.57	6,224.24
Loans (Fixed Rate)	57,758.00	38,499.87	23,695.22
Other Financial Asset	924.68	426.20	55.44
Total Financial Asset	**86,461.58**	**46,620.18**	**30,359.09**
Financial Liabilities			
Trade Payables	280.42	283.87	236.65
Debt Securities	8,451.29	-	-
Borrowing Other than Debt Securities	43,908.02	31,193.42	18,975.50
Lease Liability	305.39	294.56	121.66
Other Financial Liabilities	1,096.87	145.30	394.85
Total Financial Liabilities	**54,041.99**	**31,917.15**	**19,728.66**

32 CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The company has no contingent liability and capital commitment as on March 31, 2021 (March 31, 2020 Rs. Nil).

33 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity and preference capital, share premium and all other reserves attributable to the shareholders of the Company net of intangible assets. The company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the capital is monitored by the Board considering the regulations issued by RBI.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the capital adequacy ratio at reasonable level of 30-40% in imminent year against the stipulated requirement of 15% by RBI. The company has complied with the capital requirements prescribed by RBI over the reported period.

(Amount in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	52,359	31,193
Net Worth	44,190	16,552
Debt to Net Worth (In time)	1.18	1.88

34 RISK MANGEMENT

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its subcommittees including the Asset Liability Management Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

34.1 Objective and Policies

(A) Liquidity risk

Liquidity Risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations primarily associated with financial liabilities. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

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

(Amount in lakhs)

	Maturity profile of Financial liabilities as on March 31, 2021		
Particulars	Borrowings	Payables	Other
1 Day to 31 Days / One month	5,355.94	280.42	1,296.96
Over 1 month to 2 month	1,013.40	-	-
Over 2 month to 3 month	993.70	-	-
Over 3 month to 6 month	3,639.75	-	-
Over 6 month to 1 year	6,991.17	-	35.64
Over 1 year to 3 years	24,499.95	-	70.93
Over 3 years to 5 years	9,594.20	-	91.40
Over 5 years	271.20	-	107.43
Total	**52,359.31**	**280.42**	**1,602.36**

(B) Credit risk

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The company has comprehensive and well-defined credit policies across all products and segments for mitigating the risks associated with them. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

(C) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The company has divided loan portfolio on the following subcategories :

(Amount in lakhs, except as stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	%	Amount	%
MSME Loans	54,057.63	92.28%	36,650.60	92.90%
HL Loans	4,519.41	7.72%	2,799.37	7.10%
Total	**58,577.04**	**100.00%**	**39,449.97**	**100.00%**

(Amount in lakhs, except as stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	%	Amount	%
Rajasthan	50,539.29	86.28%	36,754.24	93.17%
Madhya Pradesh	5,218.79	8.91%	1,596.73	4.05%
Delhi (NCR)	2,130.00	3.64%	1,099.00	2.79%
Jharkhand	291.46	0.50%	-	-
Haryana	290.90	0.50%	-	-
Chhattisgarh	106.60	0.18%	-	-
Total	**58,577.04**	**100.00%**	**39,449.97**	**100.00%**

(D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

(E) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(Amount in lakhs)

	Year Ended March 31, 2021		Year Ended March 31, 2020	
Particulars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(147.52)	(147.52)	(92.75)	(92.75)
Decrease in basis points (+/- 1%)	147.52	147.52	92.75	92.75

(F) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

34.2 Collateral and Other Credit Enhancement

Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. MSME & HL Loan are secured against immovable Property at the time of origination. The value of the property at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers. Security Interest in favor of the Company is created through deposit of title deed by equitable or registered Mortgage.

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the borrower.

35 MATURITY ANALYSIS AT MARCH 31, 2021, MARCH 31, 2020 & APRIL 01, 2019

(Amount in lakhs)

Particular	March 31, 2021			March 31, 2020			April 01, 2019		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
ASSETS									
Financial Assets									
Cash and cash equivalents	730.32	730.32	-	4,242.54	4,242.54	-	384.19	384.19	-
Bank balance other than Cash and cash equivalents	27,048.58	18,434.71	8,613.87	3,451.57	3,014.34	437.23	6,224.24	6,007.48	216.76
Loans	57,758.00	12,135.56	45,622.44	38,499.87	7,363.88	31,135.99	23,695.22	2,342.64	21,352.58
Investments	10,563.07	10,563.07	-	707.93	707.93	-	4,093.82	4,093.82	-
Other Financial Assets	924.68	405.63	519.05	426.20	426.20	-	55.44	55.44	-
Subtotal - Financial assets	**97,024.65**	**42,269.29**	**54,755.37**	**47,328.11**	**15,754.89**	**31,573.22**	**34,452.91**	**12,883.57**	**21,569.34**
Non- Financial Assets									
Current tax assets	159.97	159.97	-	85.56	85.56	-	48.97	48.97	-
Deferred Tax Assets (net)	416.86	-	416.86	426.67	-	426.67	280.71	-	280.71
Property, plant and equipment	428.77	-	428.77	404.68	-	404.68	266.02	-	266.02
Right of Use Assets	278.79	-	278.79	281.33	-	281.33	121.65	-	121.65
Intangible Assets	70.52	-	70.52	2.12	-	2.12	2.91	-	2.91
Intangible Assets under development	21.63	-	21.63	21.69	-	21.69	-	-	-
Other non- financial assets	30.91	30.91	-	3.79	3.79	-	13.24	13.24	-
Subtotal - Non-financial assets	**1,407.44**	**190.88**	**1,216.56**	**1,225.84**	**89.35**	**1,136.49**	**733.50**	**62.21**	**671.28**
Total Assets	**98,432.10**	**42,460.16**	**55,971.93**	**48,553.95**	**15,844.24**	**32,709.70**	**35,186.41**	**12,945.78**	**22,240.63**
LIABILITIES									
Financial Liabilities									
Payables	280.42	280.42	-	283.87	283.87	-	236.65	236.65	-
Debt Securities	8,451.29	2,089.02	6,362.27	-	-	-	-	-	-
Borrowings (other than Debt Securities)	43,908.02	15,904.94	28,003.08	31,193.42	8,181.95	23,011.47	18,975.50	4,719.16	14,256.34
Other financial liabilities	1,096.87	1,096.87	-	145.30	145.30	-	394.85	394.85	-
Lease liabilities	305.39	35.64	269.75	294.56	37.22	257.34	121.66	26.58	95.08
Subtotal - Financial liabilities	**54,041.99**	**19,406.89**	**34,635.10**	**31,917.15**	**8,648.34**	**23,268.81**	**19,728.66**	**5,377.24**	**14,351.42**
Non-Financial Liabilities									
Provisions	61.18	-	61.18	37.66	-	37.66	44.07	-	**44.07**
Other Non-financial liabilities	138.92	138.92	-	46.65	46.65	-	58.07	58.07	-
Subtotal - Non-financial liabilities	**200.10**	**138.92**	**61.18**	**84.31**	**46.65**	**37.66**	**102.14**	**58.08**	**44.07**
Equity									
Equity share capital	10,161.21	-	10,161.21	6,649.49	-	6,649.49	6,649.49	-	6,649.49
Other equity	34,028.80	-	34,028.80	9,903.00	-	9,903.00	8,706.12	-	8,706.12
Subtotal - Equity	**44,190.01**	-	**44,190.01**	**16,552.49**	-	**16,552.49**	**15,355.61**	-	**15,355.61**
Total Liability	**98,432.10**	**19,545.81**	**78,886.29**	**48,553.95**	**8,694.99**	**39,858.96**	**35,186.41**	**5,435.32**	**29,751.10**

36 RELATED PARTY DISCLOSURES

A. Name of the related parties and nature of relationship

Relationship	Name of Related party
Key Managerial Personnel	1. Mr. Mohit Sahney (MD & CEO)
	2. Mrs. Sunita Sahney (Whole Time Director)
	3. Mr. Ravi Sharma (Chief Financial Officer) (wef. February 19, 2021)
	4. Ms. Garima Jhamnani (Company Secretary) (till November 10, 2020)
	5. Ms. Namrata Sajnani (Company Secretary) (wef. January 1, 2021)
Relatives of Key Managerial Personnel and other parties	1. Mr. Rahul Sahney (Chief Operating Officer)
	2. Mr. Rohit Sahney
	3. Mrs. Santosh Sahney
	4. Mr. Aryaman Sahney
	5. Ms. Advika Sahney
	6. Mr. Rampal Borana
	7. Mrs. Suman Choudhary
	8. Mrs. Shobha Choudhary
	9. Mrs. Priyanka Choudhary
	10. Mr. Hari Singh Choudhary
	11. Mrs. Usha Choudhary
	12. Mrs. Jyoti Sharma
	13. Mr. Bal Krishan Sharma
	14. Mr. Anusuya Sharma
	15. Mrs. Rajni Sharma
	16. Mrs. Nisha Sharma
	17. Mr. Sarthak Jhamnani
	18. Ms. Shivangi Jhamnani
	19. Mr. Mahendra Jhamnani
	20. Mrs. Tara Jhamnani
	21. Mr. Jatin Sajnani
	22. Mr Vinay Sajnani
	23. Mrs. Hemlata Sajnani
	24. Master Avighna Sharma
	25. Mohit Sahney HUF

B. Details of Transactions during the year with Related Parties

(Amount in lakhs)

Name of the employee	Nature of Expenses	Key Managerial Personnel		Relatives of Key Managerial Personnel and other parties	
		March, 31 2021	March, 31 2020	March, 31 2021	March, 31 2020
Mr. Mohit Sahney	Remuneration	112.32	112.32	-	-
Mrs. Sunita Sahney	Remuneration	39.00	39.00		
Mr. Rahul Sahney	Remuneration			42.00	39.00
Mr. Ravi Sharma	Remuneration	2.42	-	-	-
Ms. Garima Jhamnani	Remuneration	3.05	4.99	-	-
Ms. Namrata Sajnani	Remuneration	4.30	-	-	-
Mrs. Sunita Sahney	Reimbursement of Expenses	0.60	0.67	-	-
Mr. Rahul Sahney	Reimbursement of Expenses	-	-	0.97	2.26
Ms. Garima Jhamnani	Reimbursement of Expenses	0.11	0.42	-	-
Mr. Ravi Sharma	ESOP	9.24	-	-	-

C. Details of Outstanding Balances at the end of the year with Related Parties

(Amount in lakhs)

Name of the employee	Nature of Expenses	Key Managerial Personnel		Relatives of Key Managerial Personnel and other	
		March, 31 2021	March, 31 2020	March, 31 2021	March, 31 2020
Mr. Rahul Sahney	Remuneration	-	-	2.66	2.86
Mr. Ravi Sharma	Remuneration	1.68	-	-	-
Ms. Namrata Sajnani	Remuneration	1.46	-	-	-
Ms. Garima Jhamnani	Remuneration	-	0.41	-	-

Disclosures as required in terms of the NBFC Master Directions are as follows:

During the current year the Company has become a Systemically Important NBFC from Non Systemically Important NBFC as per the NBFC Master Directions. In line with the requirements of the NBFC Master Directions, additional disclosures are applicable to the company from the current year, hence the comparative figures for these disclosures have not been given.

37 CAPITAL

(Amount in lakhs)

Particulars	As at March 31, 2021
a) CRAR (%)	62.60%
b) CRAR-Tier I Capital (%)	62.11%
c) CRAR-Tier II Capital (%)	0.49%
d) Amount of subordinated debt raised as Tier-II capital	-
e) Amount raised by issue of Perpetual Debt Instruments	-

37.1 CRAR as at March 31, 2021 has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR (NBFC) .CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards.

38 INVESTMENTS

(Amount in lakhs)

Particulars	March 31, 2021
1 Value of Investments	
(i) Gross Value of Investments	
(a) In India	10,563.07
(b) Outside India	-
(ii) Provisions for Depreciation	
(a) In India	-
(b) Outside India	-
(iii) Net Value of Investments	
(a) In India	10,563.07
(b) Outside India	-
2 Movement of provisions held towards depreciation on Investments	
(i) Opening Balance	-
(ii) Add: Provisions made during the year	-
(iii) Less: Write-off/ write-back of excess provisions	-
(iv) Closing balance	-

39 DERIVATIVES

a. Forward Rate Agreement/Interest Rate Swap

The company has no transaction/exposure in forward rate agreement/interest rate swap during 2020-21.

b. Exchange Traded Interest Rate (IR) Derivatives

The company has no transaction/exposure in exchange traded interest rate (IR) derivatives during 2020-21.

c. Currency Derivatives and interest rate derivatives

The company has no transaction/exposure in Currency Derivatives and interest rate derivatives during 2020-21.

40 DETAILS OF FINANCIAL ASSET SOLD TO SECURITIZATION/RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

The company has not sold any financial asset to Securitization/Reconstruction company for Asset Reconstruction during 2020-21.

41 VALUE OF IMPORT CALCULATED ON CIF BASIS

The company has not imported any goods therefor value of import CIF basis is Nil.

42 EXPENDITURE IN FOREIGN CURRENCY

(Amount in lakhs)

Particulars	As at March 31, 2021
Reimbursement of charges	13.35

43 EARNING IN FOREIGN CURRENCY

The company does not have any earning in Foreign currency.

44 DISCLOSURE RELATING TO SECURITIZATION

The company has not taken any securitization transactions till March 31, 2021.

45 DISCLOSURE OF ASSIGNMENT TRANSACTIONS UNDERTAKEN

The company has not taken any assignment transaction.

46 DETAILS OF NON-PERFORMING FINANCIAL ASSET PURCHASED/SOLD

The company has neither purchased or sold any non performing asset.

47 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSET AND LIABILITY

(Amount in lakhs)

For the year 2020-2021	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 Days	-	215.68	10,563.07	4,227.35	-	-
8 to 14 Days	-	216.76	-	305.42	-	-
15 to 30 Days	-	865.90	-	823.17	-	-
Over 1 month to 2 month	-	827.26	-	1,013.40	-	-
Over 2 month to 3 month	-	849.47	-	993.70	-	-
Over 3 month to 6 month	-	2,577.66	-	3,639.75	-	-
Over 6 month to 1 year	-	5,284.49	-	6,991.17	-	-
Over 1 year to 3 years	-	22,954.65	-	24,499.95	-	-
Over 3 years to 5 years	-	21,299.12	-	9,594.20	-	-
Over 5 years	-	2,667.01	-	271.20	-	-
	-	**57,758.00**	**10,563.07**	**52,359.31**	**-**	**-**

* Advances are net of ECL Provision

47.1 Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumption as used by the company for compiling the return submitted to the RBI.

48 EXPOSURE TO REAL ESTATE SECTOR

The company has exposure to real estate sector as on March 31, 2021 which is given herein below:

(Amount in lakhs)

Particulars	As at March 31, 2021
A. Direct Exposure (Fund and Non Fund Based)	
i) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	4,519.41
ii) Commercial Real Estate- Lending fully secured by commercial real estates (Office buildings, retail space, multi-purpose commercial purpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction etc.).	-
iii) Investment is mortgage Backed Securities (MBS) and other securitized exposures- a) Residential b) Commercial Real Estate	-
Total Exposure to Real Estate Sector	4,519.41
B. Indirect Exposure (Fund and Non Fund Based)	-

49 EXPOSURE TO CAPITAL MARKET

The company has no exposure to capital market as on March 31, 2021.

50 DETAILS OF SGL/GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE COMPANY

The prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the Year 2020-21.

51 ADVANCES AGAINST INTANGIBLE SECURITY

No finance has been made against the collateral of intangible security such as rights, licenses, amortization etc. in respect of project (Including infrastructure projects) during the year 2020-21.

52 PROVISIONS AND CONTINGENCIES

(Amount in lakhs)

Particulars	As at March 31, 2021
Break-up 'Provision and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	
Provision for depreciation on investment	-
Provision towards NPA (Expected Credit loss on Stage 3 Assets)	160.01
Provision made towards Income Tax (Net of Deferred tax)	555.10
Other provision and Contingencies	61.18
Provision for standard Assets (Expected Credit loss on stage 1 & 2 Assets)	674.06
Total	**1,450.35**

53 DRAW DOWN FROM RESERVES

No reserve have been draw down during the financial year 2020-21 except as disclosed in Part (b) of statement of change in equity.

54 CONCENTRATION OF ADVANCES

(Amount in lakhs)

Particulars	As at March 31, 2021
Total advance to twenty largest borrowers	796.79
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.38%

55 CONCENTRATION OF EXPOSURE

(Amount in lakhs)

Particulars	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	796.79
Percentage of exposure to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.38%

56 CONCENTRATION OF NPA

(Amount in lakhs)

Particulars	As at March 31, 2021
Total exposure to top four NPA account	73.82

57 SECTOR WISE NPA's

(Amount in lakhs)

	Percentage of NPAs to Total Advances in that Sector	
Sector	**As at March 31, 2021**	
Agriculture & allied activities	-	0.00%
MSME	357.70	0.62%
Corporate borrowers	-	0.00%
Services	-	0.00%
Unsecured personal loans	-	0.00%
Home Loan	39.06	0.07%

58 MOVEMENT OF NPA's

(Amount in lakhs)

Sector	As at March 31, 2021
i) Net NPA's to Net Advance %	0.41%
ii) Movement of NPAs (Gross)	
a) Opening Balance	85.34
b) Additions during the year	396.75
c) Reductions during the year	(85.34)
d) Closing Balance	396.75
iii) Movement of Net NPAs	
a) Opening Balance	50.86
b) Additions during the year	236.74
c) Reductions during the year	(50.86)
d) Closing Balance	236.74
iv) Movement of provision for NPAs (Excluding provision on standard assets)	
a) Opening Balance	34.48
b) Additions during the year	160.01
c) Write-off/Write back of excess	(34.48)
d) Closing Balance	160.01

59 OVERSEAS ASSETS (FOR THOSE JOINT VENTURE AND SUBSIDIARIES ABROAD)

The company does not have any joint venture and subsidiaries overseas.

60 OFF-BALANCE SHEET SPVS SPONSORED

The company does not have any off-balance sheet SPV sponsored either domestic or overseas.

61 DISCLOSURE OF CUSTOMERS COMPLAINTS

Sector	March 31, 2021
No. of complaints pending at the beginning of the year	0
No. of complaints received during the year	18
No. of complaints redressed during the year	15
No. of complaints pending at the end of the year	3

62 TRANSACTION WITH NON-EXECUTIVE DIRECTORS

(Amount in lakhs)

Name of Non-Executive Director	Transaction Type	March 31, 2021
Arjun Dan Ratnoo (Independent Director)	Fee for attending board committee meeting	2.00
Arjun Dan Ratnoo (Independent Director)	Membership Fees	0.05
Total		2.05

63 DETAILS OF FINANCING OF PARENT COMPANY PRODUCT

There is no parent company to finance any product.

64 POSTPONEMENT OF REVENUE RECOGNITION

There is no significant uncertainty which requires postponement of revenue recognition.

65 Details of Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Payment against the supplies from the undertaking covered under the Micro, Small and Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.

On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2021 is 1.77 lakhs.

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

66 DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR

Instrument	Rating Agency	Date of Rating Assigned/Reviewed	Rating Valid Upto	2020-21
Bank Loan	ACUITE	31-Dec-20	28-Nov-21	ACUITE A-/Stable (Reaffirmed)
Bank Loan	CARE	4-Dec-20	3-Dec-21	CARE BBB+; Stable
Non-Convertible Debentures - Listed	ACUITE	31-Dec-20	28-Nov-21	ACUITE A-/Stable (Reaffirmed)
Non-Convertible Debentures - MLD	ACUITE	31-Dec-20	28-Nov-21	ACUITE PP-MLD A-/ Stable (Assigned)
Non-Convertible Debentures - Unlisted	CARE	4-Dec-20	3-Dec-21	CARE BBB+; Stable (Assigned)
Non-Convertible Debentures - Proposed	ACUITE	31-Dec-20	28-Nov-21	ACUITE Provisional A /Stable (Reaffirmed)

67 DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	56,373.27	345.21	56,028.06	225.49	119.72
	Stage 2	1,822.02	328.85	1,493.18	7.29	321.56
Subtotal		**58,195.29**	**674.06**	**57,521.22**	**232.78**	**441.28**
Non-Performing Assets (NPA)						
Substandard	Stage 3	396.75	160.01	236.74	39.68	120.33
Doubtful						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful			-			
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**396.75**	**160.01**	**236.74**	**39.68**	**120.33**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3					
Subtotal						
Total	Stage 1	**56,373.27**	**345.21**	**56,028.06**	**225.49**	**119.72**
	Stage 2	**1,822.02**	**328.85**	**1,493.18**	**7.29**	**321.56**
	Stage 3	**396.75**	**160.01**	**236.74**	**39.68**	**120.33**
Grand Total		**58,592.04**	**834.07**	**57,757.97**	**272.45**	**561.62**

*Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms, hence the Company is not required to create impairment reserve.

68 DETAILS IN RESPECT OF MORATORIUM BENEFIT EXTENDED TO THE CUSTOMERS

In accordance with Reserve Bank of India ("RBI") guidelines relating to 'COVID-19- Regulatory Package' dated March 27, 2020 and subsequent guidelines on EMI Moratorium dated April 17, 2020 and May 23, 2020 ("RBI Regulatory Package "), the company has offered moratorium on the payment of instalments falling due between March 1, 2020 to August 31, 2020 ("moratorium period") to all eligible borrowers. In accordance with the RBI Guidelines, the moratorium period ,wherever granted, is excluded from no. of days past dues for the purpose of asset classification. The Company holds provision as at March 31, 2021 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package -Asset Classification and Provisioning are given below:

(Amount in lakhs)

Particulars	Amount
Advance outstanding in SMA/Overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 & 3 of the circular (as on February 29, 2020)*	1,236.29
Respective amounts where assets classification benefit was extended*	149.84
Provision made in terms of paragraph 5 of the circular (As per paragraph 4 applicable to NBFC's covered under IND AS)*	3.49
Provision adjusted against slippages in terms of paragraph 6 of the circular*	-
Residual provision in terms of paragraph 6 of the circular*	3.49

* Balances are as of March 31, 2021.

69 DISCLOSURE OF LIQUIDITY RISK

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2021 is as follows:

A. Funding concentration based on significant Counterparty

(Amount in lakhs)

Number of significant counterparts	Amount	% Of Total Deposit	% Of Total Liabilities
25	50,781.69	0.00%	93.62%

B. Top 20 large deposits (amount in Rs lakhs and % of Total Deposits)

The company does not take the deposits hence - Nil.

C. Top 10 borrowings

(Amount in lakhs)

Particulars	Amount
Total Value of top 10 Borrowings	31,849.80
% of Total Borrowings	60.83%

D. Funding concentration based on significant Instrument/Product

(Amount in lakhs)

Particulars	Amount	% Of Total Liabilities
Term Loans	40,016.95	73.77%
Non-Convertible Debentures	8,451.29	15.58%
Working Capital / Line of Credit /Overdraft facilities	3,891.07	7.17%
Total	52,359.31	96.53%

E. Stock ratios

Name of the Instrument/Product	%
i) a. Commercial Papers as a % of Total Public Funds	NIL
b. Commercial Papers as a % of Total Liabilities	NIL
c. Commercial Papers as a % of Total Assets	NIL
ii) a. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
b. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
c. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL
iii) a. Other Short-Term Liabilities as a % of Total Public Funds	1.23%
b. Other Short-Term Liabilities as a % of Total Liabilities	1.19%
c. Other Short-Term Liabilities as a % of Total Assets	1.32%

F. Institutional set-up for liquidity risk management

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

70 In accordance with the RBI notification dated April 7, 2021 the company is required to refund/adjust 'Interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Bank's Association. The company has recorded the liability towards estimated interest relief of Rs. 0.7 Lakhs and reduced the same from the interest income.

71 The code on Social Security, 2020 ('Code') relating to the employee benefits during the employment and post-employment benefits received Presidential assent in September 2020, The code has been published in Gazette of India. However, the date on which code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The company will assess the impact of the code when it comes into effect and will record any related impact in the period the code becomes effective.

72 Risk assessment for COVID 19

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's operations and estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance with Reserve Bank of India guidelines relating to CoVID-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. Further. the Company has not offered resolution plan to any of its customers pursuant to RBI's guideline 'Resolution framework for COVID-19 related stress' and 'Micro, Small and Medium Enterprises (MSME) sector — Restructuring of Advances' dated August 6, 2020.

The Hon'ble Supreme Court, in a public interest litigation, vide an interim order dated September 3, 2020 ('interim order') had directed that accounts classified which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UO! & Ors. and other connected matters.

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets(Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subjects to uncertainty and may be affected by severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial value of the financial assets, the financial position and performance of the Company.

73 MISCELLANEOUS

a. The Company operates in a single reportable segment i.e. lending to retail customers having similar risks and returns for the purpose of Ind AS 108 on "Operating Segments". The Company operates in a single geographic segment i.e. domestic.

b. The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.

c. No penalties were imposed by the regulator during the year during the financial year ended March 31, 2021.

d. Previous year figures have been regrouped/ rearranged to conform to current year classification.

As per our attached report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Sd/-
Per Amit Kabra
Partner
Membership No.: 094533
Place: Gurugram
June 1, 2021

For and on behalf of Board of Directors of
FINOVA CAPITAL PRIVATE LIMITED

Sd/-	Sd/-
Mohit Sahney	**Sunita Sahney**
MD & CEO	**Whole Time Director**
DIN: 07280918	**DIN: 02395354**
Sd/-	Sd/-
Ravi Sharma	**Namrata Sajnani**
CFO	**Company Secretary**
	M. No: F10030

Place: Jaipur
June 1, 2021