FINOVA CAPITAL PRIVATE LIMITED

07TH ANNUAL REPORT
2021-22

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mohit Sahney
Managing Director & CEO

Mrs. Sunita Sahney
Whole-time Director

Mr. Arjun Dan Ratnoo
Independent Director

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam
Nominee Director

Mr. Ishaan Mittal
Nominee Director

Mr. Aditya Deepak Parekh
Nominee Director

BOARD COMMITTEES

Audit Committee

Mr. Arjun Dan Ratnoo
Mr. Ishaan Mittal
Mr. Mohit Sahney

Nomination and Remuneration Committee

Mr. Arjun Dan Ratnoo
Mr. Aditya Deepak Parekh
Mr. Mohit Sahney

Risk Management Committee

Mr. Mohit Sahney
Mr. Ravi Sharma
Mrs. Sunita Sahney

Asset Liability Management Committee

Mr. Mohit Sahney
Mrs. Sunita Sahney
Mr. Ravi Sharma

IT Strategy Committee

Mr. Arjun Dan Ratnoo
Mrs. Sunita Sahney
Mr. Arpit Gupta

***Corporate Social Responsibility Committee**

Mr. Mohit Sahney
Mr. Arjun Dan Ratnoo
Mrs. Sunita Sahney

Executive Committee

Mr. Ravi Sharma
Mr. Mohit Sahney
Mrs. Sunita Sahney

*Corporate Social Responsibility Committee dissolved w.e.f. June 01, 2021

KEY MANAGERIAL PERSONNEL

Mr. Ravi Sharma
Chief Financial Officer

Mr. Jaikishan Premani
Company Secretary and Compliance Officer
(w.e.f. November 12, 2021)

Ms. Namrata Sajnani
Company Secretary and Compliance Officer
(upto July 06, 2021)

PRIVATE EQUITY PARTNERS

SCI Investments V & SCI Growth Investments III (Sequoia Capital)
Faering Capital India Evolving Fund II
Faering Capital India Evolving Fund III
Norwest Capital, LLC
Maj Invest Financial Inclusion Fund III K/S

AUDITORS

STATUTORY AUDITORS

M/s S.N. Dhawan & Co LLP
Chartered Accountants
421, II Floor, Udyog Vihar, Phase IV, Gurugram-122016 (Haryana)

SECRETARIAL AUDITORS

M/s. V. M. & Associates
Company Secretaries
403, Royal World, S.C. Road
Jaipur - 302001 (Rajasthan)

INTERNAL AUDITORS

M/s. Shah Patni & Co.
Chartered Accountants
SB-One, Bapu Nagar, JLN Marg,
Jaipur-302015 (Rajasthan)

DEBENTURE TRUSTEE

CATALYST TRUSTEESHIP LIMITED

Registered office: GDA House, S. No. 94 & 95
Bhusari Colony (Right), Kothrud, Pune-411038 (Maharashtra)
Contact: 020-25280081
E-mail: dt@ctltrustee.com

REGISTRAR & SHARE TRANSGER AGENT

LINK INTIME INDIA PRIVATE LIMITED

Registered office: C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 (Maharashtra)
Contact: +91 022 4918 6000
E-mail: mumbai@linkintime.co.in

REGISTERED OFFICE

702, Seventh Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar
Jaipur-302021 (Rajasthan)
Contact: +91141-4118202
Website: www.finova.in
E-mail: info@finova.in

CORPORTE OFFICE

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

FINOVA CAPITAL PRIVATE LIMITED

CIN: U65993RJ2015PTC048340
Regd. Office: 702, 7th Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony
Amrapali Marg, Vaishali Nagar, Jaipur -302021
Corp. Office: 4th Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony
Amrapali Marg, Vaishali Nagar, Jaipur -302021
Tel. No. 0141-4118202 Website: www.finova.in Email Id: info@finova.in

NOTICE

Notice is hereby given that the 07th Annual General Meeting ("AGM/Meeting") of the members of **Finova Capital Private Limited** will be held at shorter notice on **Friday, May 20, 2022 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 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1: To adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 together with the reports of Board of Directors and Auditors thereon.

ITEM NO.2: To re-appoint M/s S.N. Dhawan & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by the Reserve Bank of India ("RBI") and Frequently Asked Questions dated June 11, 2021 ("RBI Guidelines") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and on the basis of recommendation of the Audit Committee and the Board of Directors of the Company, M/s S.N. Dhawan & Co. LLP, Chartered Accountants (Firm's Registration Number: 000050N/N500045), be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of 2 consecutive years from the conclusion of this 07th Annual General Meeting ("AGM") till the conclusion of 9th AGM to be held in the calendar year 2024, subject to their continuity of fulfilment of the applicable eligibility norms every year, at a remuneration as determined by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things or to take all the actions as may be considered necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

SPECIAL BUSINESS:

ITEM NO.3: To approve the limit for issuance of Non-Convertible Debentures on private placement basis under Section 42 and 71 of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and all other applicable rules, regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI") in this regard (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and pursuant to enabling provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted including the powers conferred by this resolution) to offer, issue and allot in one or more tranches, Non-convertible Debentures (NCDs), whether secured or unsecured and/or listed or unlisted including but not limited to subordinate debentures, bonds, and/or other debt securities as per Section 2(30) of the Act on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members, for an amount not exceeding Rs. 1,000/- Crore (Rupees One Thousand Crore Only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s), including to one or more Company(ies), bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so for onward lending business of the Company and general corporate purposes.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as approved by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things or to take all the actions as may be considered necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

ITEM NO.4: To approve revision in overall monthly remuneration of Mr. Rahul Sahney, Chief Operating Officer ("COO") of the Company under Section 188 of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the basis of recommendations of Audit Committee and Board of Directors, approval of the members of the company, be and is hereby accorded for revision in the overall monthly remuneration limit of Mr. Rahul Sahney (being relative of Mr. Mohit Sahney, Managing Director and CEO of the company), appointed as Chief Operating Officer ('COO") in office or place of profit, from Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per month (inclusive of all the benefits) to not exceeding Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per month (inclusive of all the benefits) w.e.f April 01, 2022, in such a manner that overall annual remuneration shall not exceed Rs. 3,00,00,000/- p.a. (Rupees Three crore only) (inclusive of all the benefits), with liberty to the Board of Directors to alter or vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same, not exceeding the limits as specified above.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized, on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for giving effect to the aforesaid resolution and to give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in this regard."

ITEM NO.5: To approve amendment in Employee Stock Option Plan, 2022.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification of the special resolution passed by the Members of the Company at their Extra Ordinary General Meeting held on April 01, 2022 and pursuant to provisions of Section 62(1)(b) and all other applicable provisions, if any, of Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and pursuant to enabling provisions of Articles of Association of the Company and subject to such approval(s)/consent(s)/permission(s)/ sanction(s), as may be required, from the appropriate regulatory authorities and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s) which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board of Directors), the consent of the Members of the Company be and is hereby accorded for variation in the Employees Stock Option Plan 2022 ("ESOP-2022") for revision in the number of stock options from 2,83,116 to 2,53,116 under the ESOP-2022 provided that remaining terms and conditions of the ESOP-2022 will remain unchanged.

RESOLVED FURTHER THAT Revised "ESOP - 2022" as tabled at the meeting and initialled by the chairperson for the purpose of identification, be and is hereby approved and the same shall come into effect from the date of passing of shareholders resolution**.**

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things or to take all the actions as may be considered necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

ITEM NO. 6: To approve issuance of compulsorily convertible cumulative preference shares on private placement basis to Mr. Rahul Sahney, Chief Operating Officer of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and enabling provisions in the Memorandum and Articles of Association of the Company and all other applicable rules, laws and acts, if any (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any while granting such approvals, the consent of the Members be and is hereby accorded to offer, issue and allot 30,000 (Thirty Thousand) 0.0001% Series D-1 Compulsorily Convertible Cumulative Preference Shares ("Series D-1 CCCPS") having face value of Rs. 100/- (Rupees One Hundred Only) each at a price of Rs. 743.50/- (Rupees Seven Hundred Forty Three and Fifty Paisa Only) which includes premium of Rs. 643.50/- (Rupees Six Hundred Forty Three and Fifty Paisa Only) per share on a preferential basis through private placement offer to Mr. Rahul Sahney, Chief Operating Officer of the Company, for cash in one or more tranches, and to issue such number of equity shares upon conversion of such Series D-1 CCCPS in accordance with the terms of the offerings as detailed here under.

RESOLVED FURTHER THAT In accordance with the provisions of Section 55 of the Act read with Rule 9 of The Companies (Share Capital and Debentures) Rules 2014, following are the terms and conditions of the Series D-1 CCCPS:

a.	the priority with respect to payment of dividend or repayment of capital vis-a-vis Equity Shares	Each Series D-1 CCCPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. Each holder of Series D-1 CCCPS is entitled to receive dividend at a rate of 0.0001 per cent per annum.
b.	the participation in surplus fund	Each Series D-1 CCCPS shall be non-participating in the surplus funds;
c.	the participation in	Each Series D-1 CCCPS shall be non-participating in the surplus

	surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	assets and profits, on winding up which may remain after the entire capital has been repaid.
d.	the payment of dividend on cumulative or non-cumulative basis	Cumulative basis
e.	the conversion of Preference Shares into Equity Shares	Each Series D-1 CCCPS shall be converted into 1 (One) Equity Share subject to the said Series D-1 CCCPS being fully paid-up. 30,000 Series D-1 CCCPS will be converted into equity shares of face value of Rs. 10/- each in one or more tranches as per the following schedule: - a. 8,000 no. of Series D-1 CCCPS to be converted into equivalent number of equity shares at any time after July 01, 2023 but in any case, not later than filing of draft Red Herring Prospectus ("DRHP") by the Company; b. 10,000 no. of Series D-1 CCCPS to be converted into equivalent number of equity shares at any time after July 01, 2024 but in any case, not later than filing of "DRHP" by the Company; and c. 12,000 no. of Series D-1 CCCPS to be converted into equivalent number of equity shares at any time after July 01, 2025 but in any case, not later than filing of "DRHP" by the Company; and such Conversion may be in one or more tranches at the Option of the Series D-1 CCCPS holder and further such conversion shall not be later than twenty years from the date of issue.
f.	the voting rights	Each Series D-1 CCCPS shall have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act; and
g.	the redemption of Preference Shares	Each Series D-1 CCCPS shall not be redeemed but shall be compulsorily convertible into Equity share of the Company but not later than twenty years from the date of issue.

RESOLVED FURTHER THAT the Equity Shares to be issued on conversion of the Series D-1 CCCPS shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT an amount of Re.1/- (Rupee one) per Series D-1 CCCPS shall be payable on or before the date of allotment of the Series D-1 CCCPS as the Series D-1 CCCPS application money and the balance amount for Series D-1 CCCPS shall be payable in one or more tranches based on the conversion terms as stated above, pursuant to which the Series D-1 CCCPS holder shall be issued and allotted Equity shares (in the ratio of 1 (one) Equity shares of Rupees 10/- (Rupees Ten only) each of the Company for 1 (one) Series D-1 CCCPS).

RESOLVED FURTHER THAT in the event Series D-1 CCCPS holder does not pay the balance consideration when called for by the Board and or unable to exercise his right to convert the allotted Series D-1 CCCPS within the prescribed timelines, the Series D-1 CCCPS shall lapse and the amount paid shall stand forfeited by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as may be deemed fit and appropriate and give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue and allotment of Series D-1 CCCPS and to finalize and execute all documents, papers, agreement, deeds and writings as may be necessary and desirable.

DATE: MAY 11, 2022
PLACE: JAIPUR

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

Sd/-
JAIKISHAN PREMANI
COMPANY SECRETARY & COMPLIANCE OFFICER
M. NO.: A42043

REGISTERED OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE, PLOT NO. 13-14 COSMO COLONY, AMRAPALI MARG VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

NOTES:

1. The Company has taken all the preventive/precautionary measures while making arrangement for this Annual General Meeting to ensure the safety of all its members, employees and other stakeholders participating in the Meeting in accordance with the guidelines on Preventive Measures to contain spread of COVID-19 issued by Ministry of Health and Family Welfare, Government of India.

   Kindly note the following precautions to be undertaken while attending the meeting in person:
   - Members are requested to wear mask at the entry and at all time during the meeting;
   - Members are requested to follow the disinfectant process and make themselves subject to temperature check available at the venue of the Meeting before entering into the office premises and to sanitize their hands frequently throughout the Meeting;
   - Members are requested to maintain physical distance of at least 6 feet (about 2 arm's length);
   - Members are requested to cover their mouth and nose with a disposable tissue while coughing or sneezing and use the nearest waste receptacle to dispose of the tissue after use.

   Note: Any member displaying symptoms of illness or being part of a risk group is specifically requested not to attend the Meeting.

2. **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 CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

3. 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.

4. 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/Authorization letter together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said Resolution/Authorization should be sent either physically at the Corporate office of the company at Fourth Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021, (Rajasthan) or electronically through their registered email address to the Company Secretary at cs@finova.in.

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

6. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the special business is annexed hereto.

7. In view of the prevailing situation and Green Initiative in the Corporate Governance taken by the Ministry of Corporate Affairs, owing to the difficulties involved in dispatching of physical copies of the Notice of AGM and Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 together with the Reports of Board of Directors and Auditors thereon and other documents attached thereto, the same shall be sent only by e-mail to the members, debenture trustees and to all the persons entitled to receive the same at their e-mail ids registered with the company. The same has also been uploaded on the website of the Company at http://www.finova.in/annual_report.php.

8. Members who have not registered their E-mail address so far, are requested to register their e-mail for receiving all communication including Notices etc. from the Company electronically. Members can also do this by updating their e-mail addresses with their depository participants.

9. A copy of Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 together with the Reports of Board of Directors and Auditors thereon is enclosed herewith.

10. Members seeking any information with regard to the Financial Statements, accounts or any matter to be placed at AGM are requested to write to the Company at cs@finova.in at an early date, so as to enable the Management to keep the information ready at the meeting.

11. 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.

12. All documents referred to in the accompanying notice are open for inspection by the members of the company at the Registered Office of the Company between 11:00 am and 5:00 pm on all working days (except Saturday(s), Sunday(s) and Public Holidays) up to the date of the AGM and during the continuance of the AGM.

13. The Company has initiated the process of dematerialization of all its physical preference and equity shares and has obtained electronic connectivity services from Link Intime India Pvt. Ltd. for the same. Further, the Company has also been allotted ISIN's from NSDL for all its physical shares.

14. In this respect, the shareholders of the company are advised to get the shares held by them dematerialized. The brief procedure for dematerialization is stated below for your reference:
    a) *Shareholders have to approach to their DP & fill the Demat Request Form & lodge it to the DP along with the original share certificate.*
    b) *Further; DP will process the documents and generate the demat request electronically & will send the same to RTA system and will forward the documents to Issuer Company for further process / verification.*
    c) *After receipt of the documents, Issuer Company shall provide the Demat Status Report & List of Authorised Signatories to RTA. On receipt of the Demat Status Report from Company, RTA will then verify the details and signature and process the Electronic Demat Request from system.*
    d) *As soon as RTA process the demat request from system, within couple of hours shares will be credited into respective shareholder's Demat account.*

15. With reference to SS-2 for the convenience of recipients of notice, Route Map to the venue of Annual General Meeting of the Company is as under:

Venue of the meeting: Fourth Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Raj.)

Landmark: Amrapali Circle

Route Map: The Mark indicating the venue of Annual General Meeting

DATE: MAY 11, 2022
PLACE: JAIPUR

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

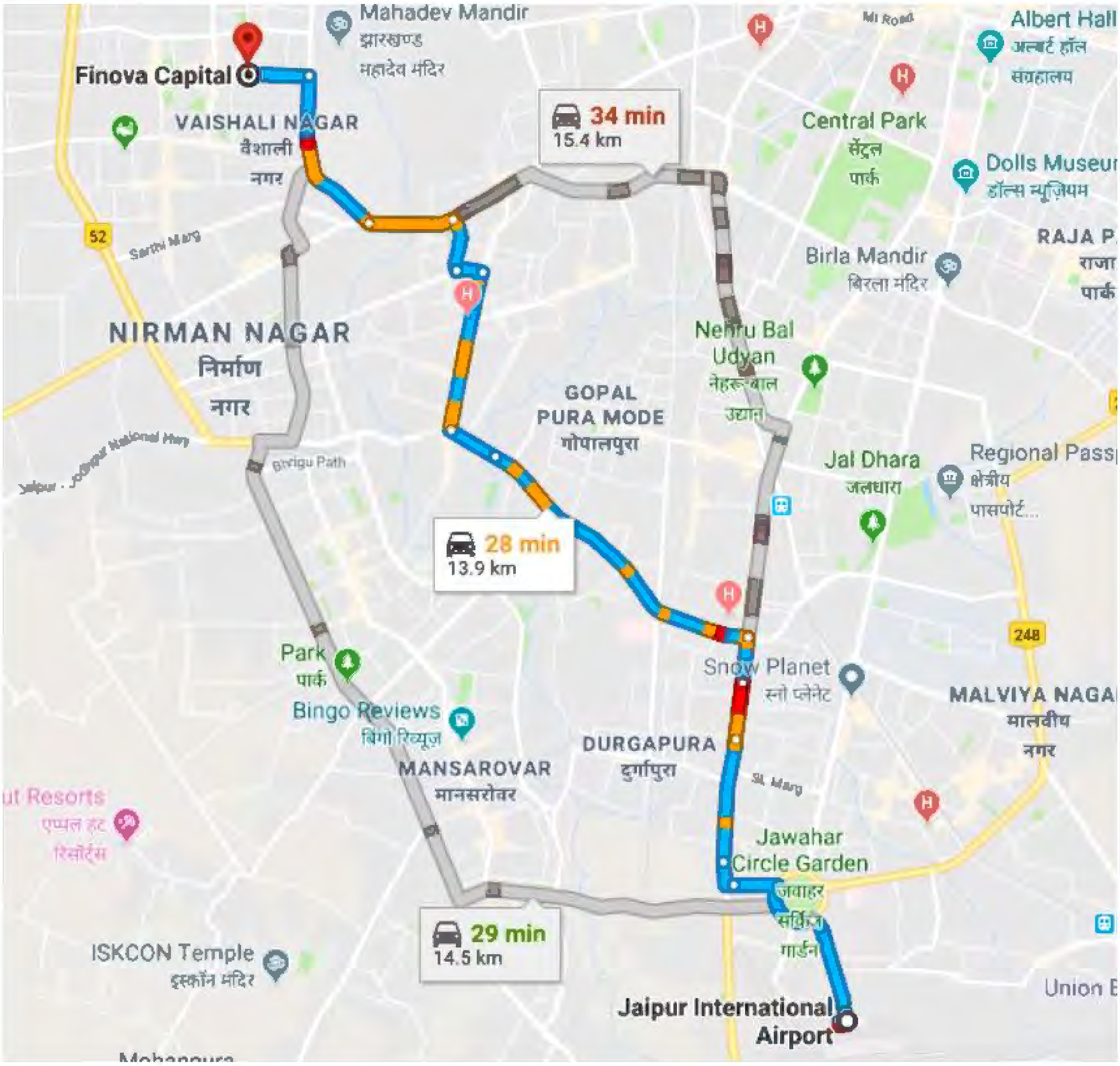
Sd/-
JAIKISHAN PREMANI
COMPANY SECRETARY & COMPLIANCE OFFICER
M. NO.: A42043

REGISTERED OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE, PLOT NO. 13-14 COSMO COLONY, AMRAPALI MARG VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

FINOVA CAPITAL
FINANCING DREAMS

ROUTE MAP TO THE VENUE OF THE MEETING

Venue of the meeting: Fourth Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Rajasthan)



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following statement sets out the material facts concerning the special business mentioned in the accompanying notice to be transacted at the Meeting.

ITEM NO.3:

Your Company has been issuing debentures, which may be referred to as one of the option for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Guidelines as issued by Reserve Bank of India etc. Accordingly, the Company, subject to the approval of Members, proposes to issue Non-convertible Debentures including bonds, and/or other debt securities as per Section 2(30) of the Act to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Board. The amount to be raised by way of issue of listed or unlisted, secured/unsecured redeemable Nonconvertible Debentures on a private placement basis shall not exceed Rs. 1,000 Crore (Rupees One thousand Crore only) in aggregate, in one or more series/ tranches on private placement basis

It may be noted that that as per Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Act, allows a Company to pass a Special Resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches.

It is to be noted that the members of the company have passed a Special resolution at their Annual general meeting held on July 03, 2021 to approve the limit for issuance of non-convertible debentures on private placement basis under Section 42 and 71 of the Act upto an amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) in aggregate in one or more tranches.

Hence, as per the aforesaid provision, the validity of the previous special resolution passed by the members of the Company on July 03, 2021 shall expire on July 02, 2022.

Therefore, consent of the Members is accordingly sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to enable and authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures on private placement basis of Rs. 1,000 crore (Rupees One thousand crore only) as stipulated above, in one or more tranches, during the period of one year from the date of passing of the Resolution set out at Item No. 3 of this Notice, within the overall borrowing limits of the Company, as approved by the Board.

The Board accordingly recommends the Special Resolution as set out at Item No. 3 of the Notice for the approval of the Members as **Special Resolution**.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of the accompanying Notice.

ITEM NO.4:

Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board of Directors to enter into any contract or arrangement with a related party including revision in terms and conditions with respect to appointment of related party to any office or place of profit in the company under section 188(1)(f) of the Act.

Further, the Company shall also obtain prior approval of members at the general meeting in case the aforesaid related party transaction exceeds the limits prescribed under Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 i.e. "*appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees*".

It is hereby proposed to increase the overall monthly remuneration limit of Mr. Rahul Sahney, Chief Operating Officer being brother of Mr. Mohit Sahney (Managing Director and CEO of the Company) from Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per month (inclusive of all the benefits) to not exceeding Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per month (inclusive of all the benefits) w.e.f April 01, 2022, in such a manner that overall annual remuneration shall not exceed Rs. 3,00,00,000/- p.a. (Rupees Three crore only) (inclusive of all the benefits), with liberty to the Board of Directors to alter or vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same, not exceeding the limits as specified above.

The statement containing the details of the aforesaid transaction in this regard is mentioned below

Name of the Related Party	Mr. Rahul Sahney
Nature of relationship	Brother of Mr. Mohit Sahney (Managing Director and CEO of the Company)
The nature, particulars of the contract or arrangement and the material terms of the contract or arrangement including the value, if any:	Approval for revision in remuneration paid to Mr. Rahul Sahney, Chief Operating Officer in Office or place of profit from Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per month (inclusive of all the benefits) to not exceeding Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per month (inclusive of all the benefits) w.e.f. April 01, 2022, in such a manner that overall annual remuneration shall not exceed Rs. 3,00,00,000/- p.a. (Rupees Three crore only) (inclusive of all the benefits)
Duration of the contract	Regular
Any advance paid or received for the contract or arrangement, if any	N.A.
The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract	All business transactions would be carried out as part of business requirements of the Company. Further the remuneration of Mr. Rahul Sahney, COO of the Company is as per the industry norms and standards.

Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes
Any other information relevant or important for the Board to take a decision on the proposed transaction	NIL

The aforesaid related party transaction entered into between the company and Mr. Rahul Sahney is at arm's length and the Board of Directors of the Company on the basis of recommendations of Audit Committee, have approved the revision in overall monthly remuneration limit at their respective meeting held on April 29, 2022.

The Board of Directors recommends the resolution set out at item no. 4 of the Notice for the approval by the members as **Ordinary Resolution**.

Save and except Mr. Mohit Sahney, being brother of Mr. Rahul Sahney, None of the other Directors or Key Managerial Personnel of the Company or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the said resolution.

ITEM NO. 5:

The Company had implemented Equity Stock Option Plan 2022 ("ESOP-2022"), with a view to attract and retain key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The plan was originally approved vide members' resolution dated April 01, 2022 in due compliance of the provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder. The existing plan provided for granting of 2,83,116 (Two Lakh Eighty Three Thousand One Hundred and Sixteen) employee stock options to eligible employees of the Company, in one or more tranches, from time to time under the ESOP Scheme.

Now therefore the Management has considered and proposes to rebalance the number of options and considered the variation in the ESOP-2022 for revision in the number of stock options from 2,83,116 to 2,53,116 to be in line with shareholders agreement and provided that remaining terms and conditions of the ESOP -2022 will remain unchanged.

The details of the variation in the ESOP-2022 are as under:

Clause No.	Existing Provision	New Provision
3.1	On passing the special resolution dated April 01, 2022, the Company shall be authorized by the shareholders to issue to the Employees under ESOP-2022, not exceeding **2,83,116 (Two Lakh Eighty Three Thousand One Hundred and Sixteen)** Employee Stock Options convertible into not more than **2,83,116** equity shares of face value of Rs. 10/-	On passing the special resolution dated April 01, 2022, the Company shall be authorized by the shareholders to issue to the Employees under ESOP-2022, not exceeding **2,53,116 (Two Lakh Fifty Three Thousand One Hundred and Sixteen)** Employee Stock Options convertible into not more than **2,53,116** equity shares of face value of Rs. 10/- (Rupees Ten) each

	(Rupees Ten) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue.	fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue.

The Members are further informed that the complete amended ESOP-2022 will be available for inspection by the Members at the Registered Office of the Company between 11:00 am and 5:00 pm on all working days (except Saturday(s), Sunday(s) and Public Holidays) up to the date of the Annual General Meeting and during the continuance of the AGM.

The proposed amendments to the ESOP-2022 are not prejudicial to the interest of the option holders.

With a view to revise the number of options under ESOP-2022, the Company is required to amend the ESOP Scheme in accordance with the provisions of Section 62 (1) (b) of the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all the other applicable provisions, if any, of the Act, which is subject to approval of shareholders of the Company.

Given the details of amendments, rationale thereof and as per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Board recommends the resolution set out at Item No. 5 of this Notice to the Members for their consideration and approval by way of Special Resolution. The amended ESOP Scheme shall be applicable from the date of passing of this resolution.

None of the Director or and Key Managerial Personnel of the Company or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the resolution set out at Item No. 5 except to the extent of their shareholding and to the extent of ESOPs that may be granted under the respective ESOP scheme.

ITEM NO. 6:

The Board of Directors ("Board") at its meeting held on April 29, 2022, had approved the offer and issuance of 30,000 (Thirty Thousand) Series D-1 Compulsorily Convertible Cumulative Preference Shares ("Series D-1 CCCPS") having face value of Rs. 100/- (Rupees One Hundred Only) each at a price of Rs. 743.50/- (Rupees Seven Hundred Forty Three and Fifty Paisa Only) which includes premium of Rs. 643.50/- (Rupees Six Hundred Forty Three and Fifty Paisa Only) per share in terms of Section 42, 55, 62(1)(c) and other applicable provisions of the Companies Act, 2013 ("the Act") as well as the relevant rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 to Mr. Rahul Sahney, Chief Operating Officer of the Company of the Company.

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the Section unless the shareholders in general meeting decide otherwise by passing a special resolution. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 & 62(1)(c) and all other applicable provisions of the Act including rules framed thereunder.

The Disclosures as required under Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 9 and 13 of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

i. **The object of the Issue**: To retain, motivate senior management and to give them opportunity to participate and gain from the Company's performance as well as to align the efforts of them towards long term value creation in the organization.

ii. **Size of the issue and the total number of shares or other securities to be issued:** 30,000 (Thirty Thousand) Series D-1 CCCPS.

iii. **Amount which the company intends to raise by way of such securities:** The Company intends to raise Rs. 2,23,05,000.00/- by way of issue of Series D-1 CCCPS.

iv. **Principle terms of assets charged as securities:** Not Applicable

v. **The price or price band at/within which the allotment is proposed:** The issue price of the Series D-1 CCCPS shall be Rs. 743.50/- (Rupees Seven Hundred Forty Three and Fifty Paisa Only) which includes nominal value of Rs. 100/- (Rupees One Hundred Only) and Rs. 643.50/- (Rupees Six Hundred Forty Three and Fifty Paisa Only) per share as premium.

vi. **Basis on which the price has been arrived at along with report of the registered valuer and its address:** Since the Company is in the growth phase, therefore price has been arrived on the basis of Discounted Free Cash Flow Method. A copy of the valuation certificate from M/s. Capital Square Advisors Private Limited, Merchant Banker having its office at 208, Aarpee Centre, CTS 70, MIDC Road no. 11, Andheri (East), Mumbai-400093 and Mr. Bhavesh M Rathod, Registered Valuer, having its office at A/101, Shelter CHSL, CSC Road, Dehisar East, Mumbai-400068 certifying the fair market value of the shares of the Company shall be placed before the Members of the Company at the AGM and will also be open for inspection by the Members.

vii. **Relevant Date with reference to which the price has been arrived at:** The relevant date on the basis of which calculation/ valuation has been arrived is January 31, 2022.

viii. **The Class or Classes of persons to whom the allotment is proposed to be made:** This preferential issue of shares is being made to the following:

Class of shares	Shares To Be allotted to	Class of Person	Shares to be allotted	Fully Paid-up/Partly Paid-Up
Preference	Mr. Rahul Sahney	Individual	30,000	Partly Paid-up

ix. **Date of Passing of Board Resolution**: April 29, 2022.

x. **Intention of promoters, Directors or Key Managerial Personnel to subscribe to the offer and contribution being made by the promoters or directors either as part of the offer:** None of the promoters, Directors or Key managerial personnel (KMP) are intended to participate/subscribe to the offer.

xi. **The proposed time within which the allotment shall be completed:** The Company will complete the issue & allotment of Series D-1 CCCPS within a period of 60 days from the date of receipt of application money. If not so allotted, the Company should repay application money within 15 days thereafter, failing which it shall be repaid along with an interest at 12% p.a. from the expiry of the sixtieth day. The allotment of securities on a preferential basis made pursuant to this special resolution will be completed within a period of twelve months from the date of passing of the special resolution. In the event all securities are not allotted within a period of twelve months from the date of passing of the special resolution, a fresh shareholders approval shall be obtained prior to allotment of remaining securities.

xii. **The names of the proposed allottee (s) and percentage of post preferential offer capital that may be held by them:**

Sr. No.	Name of the proposed Allottee	Percentage of post private placement capital (on fully diluted basis)
1.	Mr. Rahul Sahney	0.58%

xiii. **The change in Control if any, in the Company that would occur consequent to the preferential offer:** None

xiv. **The number of Persons to whom allotment on preferential basis have already been made during the year, in terms of Number of Securities as well as price:** N.A.

xv. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of registered valuer**: N.A.

xvi. **The pre issue and post issue shareholding pattern of the Company:**

S. No.	Category	Pre Issue		Post issue (on fully diluted basis)	
		No. of shares	% of shareholding	No. of shares	% of shareholding
A	**Promoters' holding:**				
1.	Indian:				
	Individual	35,10,130	18.60%	35,10,130	18.60%
	Bodies Corporate	--	--	--	--
	Sub Total	**35,10,130**	**18.60%**	**35,10,130**	**18.60%**
2.	Foreign Promoters	--	--	--	--
	Sub Total (A)	**35,10,130**	**18.60%**	**35,10,130**	**18.60%**
B	**Non- Promoters' holding:**				
1.	Institutional Investors	24,44,564	12.95%	24,44,564	12.95%
2.	Non-Institution:				
	Private Corporate Bodies	1,05,09,148	55.68%	1,05,09,148	55.68%
	Directors and Relatives	80,000	0.42%	1,10,000	0.58%
	Indian Public	16,58,245	8.79%	16,58,245	8.79%
	Others (Including NRIs)	--	--	--	--
	Provision for ESOP	6,72,320	3.56%	6,42,320	3.40%
	Sub Total (B)	**1,53,64,277**	**81.40%**	**1,53,64,277**	**81.40%**
	Grand Total	**1,88,74,407**	**100.00%**	**1,88,74,407**	**100.00%**

xvii. **the nature of such shares:** Compulsorily Convertible Cumulative Preference Shares;

xviii. **the manner of issue of shares:** Private Placement through Preferential basis

xix. **the terms of issue, including terms and rate of dividend on each share, etc.:**

- **Face value:** The Series D-1 CCCPS issued shall have a face value of Rs. 100/- per CCCPS.
- **Coupon/Dividend:** The terms of the 0.0001% Series D-1 CCCPS confer the holders thereof a right to a preferential cumulative dividend of 0.0001% per annum.
- **Issue and allotment period:** The Securities will be allotted within 60 days from the date of application by the shareholders of the Company.
- **Voting Rights:** Each 0.0001% Series D-1 CCCPS holder shall have right to vote in general meeting of the Company in accordance with section 47 of the Act.
- **Conversion Terms:** Conversion terms are defined in the resolution proposed before the Members

  Process for conversion of Series D-1 CCCPS into equity shares will be as follows:-

I. Once Series D-1 CCCPS holder elects to convert the holding of Series D-1 CCCPS into Equity Shares, he shall surrender the relevant share certificate or certificates therefore at the registered office of the Company, and shall, at the time of such surrender, give a written notice to the Company that he has elected to convert the holding of Series D-1 CCCPS and shall state in such notice the total number of Series D-1 CCCPS being converted after making it fully-paid prior to Conversion.

II. Within 10 (Ten) Business Days after receipt of such notice and the accompanying share certificates, the Company shall issue and deliver to the holder of the converted Series D-1 CCCPS, a share certificate or certificates for the aggregate number of Equity Shares issuable upon such conversion and the Person entitled to receive the Equity Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Equity Shares on such date.

III. Where such aggregate number of Equity Shares includes any fractional share, such fractional share shall be disregarded. Subject to the requirements of Law, such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the Series D-1 CCCPS, and the Person entitled to receive the Equity Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Equity Shares on such date.

- **Taxation:** All payments in respect of the CCCPS shall be made less any deductions or withholding for or on account of any present or future taxes or duties as required under Applicable Laws.

xx. **The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion**: Not applicable since each 0.0001% Series D-1 CCCPS is compulsorily convertible into Equity Shares of the Company.

xxi. **The manner and modes of redemption:** Not applicable

xxii. **Expected dilution in equity share capital upon conversion of preference shares:** Dilution impact upon conversion of Series D-1 CCCPS, assuming entire conversion is as indicated in the above-mentioned table.
The Members are, therefore, requested to accord their approval authorizing the Board to go for the proposed Preferential Issue as set out in the resolution proposed as Item no. 6 of this Notice.

The issue of the Series D-1 CCCPS is in accordance with the provisions of the Articles of Association of the Company.

The Board of Directors believe that the issue of Securities to above mentioned investor is in the best interest of the Company and therefore recommends the resolution for your approval.

Save and except, Mr. Mohit Sahney, being related to the proposed allottee, none of the other Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested in the Resolution set out at Item no. 6 of this Notice except to the extent of their shareholding, if any, in the Company.

DATE: MAY 11, 2022
PLACE: JAIPUR

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

Sd/-
JAIKISHAN PREMANI
COMPANY SECRETARY & COMPLIANCE OFFICER
M. NO.: A42043

REGISTERED OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE, PLOT NO. 13-14 COSMO COLONY, AMRAPALI MARG VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

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 (Rajasthan)

Name of the Member (s):	
Registered address:	
E-mail Id:	Folio No / Client Id:
DP 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 07th AGM of the Company, to be held on Friday, May 20, 2022 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 (Rajasthan) 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 of the Company for the financial year ended on March 31, 2022 together with the reports of Board of Directors and Auditors thereon.		
2.	To re-appoint M/s S.N. Dhawan & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.		
3.	To approve the limit for issuance of non-convertible debentures on private placement basis under Section 42 and 71 of the Companies Act, 2013.		
4.	To approve revision in overall monthly remuneration limit of Mr. Rahul Sahney, Chief Operating Officer ("COO") of the Company under Section 188 of the Companies Act, 2013.		
5.	To approve amendment in Employee Stock Option Plan, 2022.		
6.	To approve issue of compulsorily convertible cumulative preference shares on private placement basis to Mr. Rahul Sahney, Chief Operating Officer of the Company.		

Signed this _____ day of ______, 2022

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 forty-eight 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 07th AGM of the Company, to be held on Friday, May 20, 2022 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 (Rajasthan)

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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.

BOARD'S REPORT

To
The Shareholders,
FINOVA CAPITAL PRIVATE LIMITED

Your Company is registered as a Non-Banking Financial Company ("NBFC") pursuant to Certificate of Registration dated March 02, 2016 issued by the Reserve Bank of India ("RBI") under Section 45IA of the Reserve Bank of India Act, 1934 and is mainly engaged in providing finance to Micro, Small and Medium Enterprises ("MSME").

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.

Your Directors have pleasure to present the 07th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2022.

1. FINANCIAL PERFORMANCE OF THE COMPANY

The Company's Financial performance for the year ended on March 31, 2022 is summarized below:

PARTICULARS		**(Rs. in lakhs)**
	2021-22	**2020-21**
Income:		
Revenue from operations	18,329.07	12,296.13
Other Income	1.45	5.44
Total Income	**18,330.52**	**12,301.57**
Total Expenditure	**14,468.06**	**10,094.31**
Profit / (Loss) before Tax	**3,862.46**	2,207.26
Less: Tax expenses	**961.87**	557.11
Net Profit after Tax	**2,900.59**	**1,650.15**

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

The Asset Size of the Company as per the Audited Financial Statements for the Financial Year ended March 31, 2021, was Rs. 984.32 Crore i.e. above Rs. 500 Crore as a result of which the category of the Company was re-classified as "Systemically Important" from "Non-Systemically Important" during the Financial Year 2021-22.

To build a quality loan book, your Company endeavors to adopt superior underwriting practices backed by robust monitoring and recovery mechanism. Your Company is committed towards improving efficiency in all its processes and service levels for its customers.

As the second and third wave of the pandemic unfolded in April 2021 and January 2022 respectively, your Company focused on protecting the health and safety of employees and customers, while ensuring minimum business disruption. Your Company has ensured compliance with the directives issued by the Central Government, State Government and local administration in this regard from time to time.

During the Financial Year 2021-22, the Company has recorded Total Income of **Rs. 18,330.52 Lakhs** as against **Rs. 12,301.57 Lakhs** in F.Y. 2020-21. The total income comprised income from financing activities of **Rs. 18,329.07 Lakhs** and Other Income of **Rs. 1.45 Lakhs.**

Further, the Company's profit after tax ("PAT"), increased by about 75.78% i.e. from **Rs. 1,650.15 Lakhs to Rs. 2,900.59 Lakhs** and total expenditure were **Rs. 14,468.06 Lakhs** as against **Rs. 10,094.31** Lakhs in F.Y. 2020-21. The increase in the results of the Company are due to increased AUM, quality disbursement and collection of loans. Further, the increase is also 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 and increase in the number of branches.

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

GROSS ASSET UNDER MANAGEMENT ("AUM")

During the Financial Year under review, your Company has shown growth in gross Asset Under Management ("AUM") from **Rs. 58,577.04 lakhs to Rs. 94,819.35 Lakhs** with an annual growth of **61.87%.** Your Company has granted no loan against the Collateral of Gold Jewellery.

RESOLUTION FRAMEWORK FOR COVID-19-RELATED STRESS

Due to the resurgence of COVID-19 pandemic in India, the Reserve Bank of India (RBI) issued the Resolution Framework 2.0 dated May 05, 2021 and June 04, 2021. Pursuant to guidelines, the Company duly adopted the Resolution Framework – 2.0: Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSME)" and "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses. In the backdrop of economic disruptions caused by the second wave of infections due to COVID-19, the Resolution Framework – 2.0 was declared with the objective of alleviating the potential stress to individual, small businesses and MSMEs.

The objective of the Policy is to facilitate the overall revival of customer in the long run.

CHANGE IN NATURE OF BUSINESS

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

3. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis, which forms an integral part of this Annual Report as **Annexure I**.

4. 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. 580.73 Lakhs** in Statutory Reserve Fund i.e. aggregating to 20% of its net profit for the Financial Year 2021-22.

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

5. 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 March 31, 2022.

6. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the company, that have occurred between end of the financial year to which the financial statements relate and date of this report.

7. RESOURCE MIX

During the Financial Year 2021-22, the Company met its funding through diversified sources from Public Sector Banks, Private Sector Banks, Financial Institutions etc. Further, the Shareholders approved the Issuance of Non-Convertible Debentures ('NCDs'), aggregating upto Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) on private placement basis, although, the Company have not raised any NCDs during the Financial Year 2021-22.

The NCDs of Company are listed on the Wholesale Debt Market segment of the BSE Limited in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Company has been regular in compliance of various regulations issued by the Securities and Exchange Board of India and its payment obligations towards the NCDs.

No interest payment or principal repayment of the terms loans and NCDs was due and unpaid as on March 31, 2022. The Company has not received any grievances from the debt security holders. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

8. CREDIT RATING

The Company's Financial discipline and prudence is reflected in the credit ratings ascribed by rating agencies and your Company believes that its Credit Rating enables it to borrow funds at competitive rates. The Credit Rating details of the Company as on March 31, 2022 were as follows:

Sr. No.	Type of instrument	Rating	Name of credit rating agency
1.	Long term Bank Facilities	Acuite A-/Stable	Acuite Ratings & Research Limited
2.	Non-Convertible Debentures	Acuite A-/Stable	Acuite Ratings & Research Limited
3.	Principal Protected Market Linked Non-Convertible Debentures	Acuite PP-MLD A-/Stable	Acuite Ratings & Research Limited
4.	Long term Bank Facilities	CARE BBB+; Positive	CARE Ratings Limited
5.	Non-Convertible Debentures	CARE BBB+; Positive	CARE Ratings Limited

* Provisional Rating Acuite Provisional A/ Stable (Re-affirmed)

9. CAPITAL STRUCTURE

During the Financial Year under review, following changes took place in the Share Capital structure of the Company:

A. The Authorized Share Capital of the Company was increased from Rs. 111,00,00,000/- (Rupees One Hundred and Eleven Crores Only) divided into 60,00,000 (Sixty lakh) Equity shares of Rs.10/- (Rupees Ten only) each and 1,05,00,000 (One Crores and Five Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) to Rs. 141,00,00,000/- (Rupees One Hundred and Forty One Crores Only) divided into 60,00,000 (Sixty lakh) Equity shares of Rs.10/- (Rupees Ten only) each and 1,35,00,000 (One Crores and Thirty Five Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) each, by creating additional 30,00,000 (Thirty Lakhs) Preference Shares of 100/- (Rupees Hundred only) each vide resolution passed by the shareholders of the company at their Extra Ordinary General Meeting held on February 07, 2022;

B. Issued and allotted 2,39,108 (Two Lakh Thirty-Nine Thousand One Hundred and Eight) partly paid-up Series C-2 compulsorily convertible cumulative preference shares ("Series C-2 CCCPS") of face value of Rs. 100/- (Rupees Hundred Only) each, for cash, at an issue price of Rs. 743.50/- (including premium of Rs. 643.50/-) per CCCPS aggregating to an amount of Rs. 17,77,76,798/- (Rupees Seventeen Crore Seventy-Seven Lakh Seventy-Six Thousand Seven Hundred and Ninety-Eight Only) on private placement basis. Company has received Re. 1.00 (Rupee One Only) per Series C-2 CCCPS on such partly paid-up shares;

C. Issued and allotted 65,300 (Sixty Five Thousand and Three Hundred) fully paid-up Equity Shares of face value of Rs.10/- (Rupees Ten Only) each, for cash, at an issue price of Rs. 1533.82/- (including premium of Rs. 1523.82/-) per Equity Share and 28,68,551 (Twenty-Eight Lakh Sixty-Eight Thousand Five Hundred and Fifty One) fully paid-up Series D Compulsorily Convertible Cumulative Preference Shares ("Series D CCCPS") of face value of Rs. 100/- (Rupees Hundred Only) each, fully paid-up for cash, at an issue price of Rs. 1533.82/- (including premium of Rs. 1433.82/-) per CCCPS aggregating to an amount of Rs. 4,49,99,99,340.82/- (Rupees Four Hundred Forty-Nine Crores Ninety-Nine Lakh Ninety-Nine Thousand Three Hundred and Forty and Eighty-Two Paisa Only) on private placement basis.

After the aforementioned changes in the Share Capital of the Company, the Authorised and Paid Up Share Capital as on March 31, 2022 stood at:

Authorised Share Capital – Rs. 141,00,00,000/-
Paid Up Share Capital – Rs. 130,38,68,440/-

10. AMENDMENT IN ARTICLES OF ASSOCIATION

In connection with the issue and allotment of the equity shares and 0.0001% Series D Compulsorily Convertible Cumulative Preference Shares ("0.0001% Series D CCCPS") to the new and existing investors by the Board of Directors on March 31, 2022, the Company has entered into a Shareholders' Agreement with the Promoters, Investors and other Shareholders of the Company on March 25, 2022 ('Shareholders Agreement').

Pursuant to the terms and conditions of the Shareholders Agreement, the Company at its Extra Ordinary General Meeting held on April 01, 2022 has amended its existing Articles of Association ("AOA"), in order to incorporate the new provisions and rights set forth in the Shareholders' Agreement and has adopted new set of regulations in AOA having Shareholders Agreement forming a substantive part of the AOA of the Company, as Part II.

Although, the aforementioned change occurred after the closure of Financial Year, however, your Board of Directors find it prudent to keep their Shareholders informed about the said change.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. CHANGES IN DIRECTORS

Your Company's Board consists of leaders and visionaries who provide strategic direction and guidance to the Company. As on March 31, 2022, the Board comprises of 2 (Two) Executive Directors, 4 (Four) Non-Executive Directors out of which 1 (One) is Independent Director.

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable RBI Directions and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

During the Financial Year under review, there has been no change in the directorships of the Company. However, Mrs. Sunita Sahney has been re-appointed as Whole Time Director of the Company for a term of 5 years w.e.f May 30, 2022 by the Board of Directors on the recommendation of Nominationa and Remuneration Committee in their respective Meetings held on April 29, 2022. Although, the aforementioned change in Board of Directors occurred after the closure of Financial Year, however, your Directors find it prudent to keep their shareholders informed about the said change.

B. CHANGES IN KEY MANAGERIAL PERSONNEL

During the Financial Year under review, following changes took place in the Key Managerial Personnel of the company:

i. Ms. Namrata Sajnani resigned from the post of Company Secretary & Compliance officer of the company with effect from July 06, 2021; and
ii. Mr. Jaikishan Premani was appointed as Company Secretary & Compliance officer of the company with effect from November 12, 2021.

Except as above there were no other changes in the Key Managerial Personnel of the Company during the Financial Year 2021-22.

C. DECLARATION BY INDEPENDENT DIRECTOR

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. The Independent Director have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013. The Board also opined that Independent Director is having requisite integrity, expertise, specialized knowledge, experience and the proficiency and is independent of the management of the Company.

Further, pursuant to the provisions of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Director has registered himself with the Databank maintained under Indian Institute of Corporate Affairs (IICA). Further, the Independent Director has qualified the online proficiency self-assessment test conducted by the IICA.

D. NOMINATION AND REMUNERATION POLICY

During the Financial Year 2021-22, the Board of Directors have adopted a policy of Nomination and Remuneration which includes the criteria for determining qualifications, positive attributes and Independence of Directors. The Company's Policy on Nomination and Remuneration is framed with the objectives as under:

1. To formulate criteria and advise the Board in matters of determining qualifications, competencies, positive attributes and independence of Directors and policies relating to their appointment and removal;
2. To review corporate goals and objectives, to set norms of performance evaluation and to lay out remuneration principles for Directors, KMP and Senior Management linked to their effort, performance and contribution towards achievement of organisational goals;
3. To evaluate performance and give recommendations to the Board on remuneration payable to the Directors, KMP and Senior Management;
4. To review and recommend to the Board measures to retain and motivate talent including KMP and Senior Management Personnel with a view to ensuring long-term sustainability and competitiveness of the organisation.

The Nomination and Remuneration Policy of the Company is disclosed on the website at https://www.finova.in/policies/55.pdf. Further, the Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'Fit and Proper' criteria of Directors at the time of appointment and on a continuing basis, pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India.

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12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, the Board met 7 (Seven) times on June 01, 2021, September 24, 2021, November 12, 2021, January 28, 2022, March 19, 2022, March 23, 2022 and March 31, 2022. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standards-1 issued by Institute of Company Secretaries of India (ICSI) on Board meetings and Company has complied with all applicable Secretarial Standards.

13. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable provisions of Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India. 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.

14. BOARD COMMITTEES

The Board has various Committees which have been constituted with their specific terms of reference and scope to take informed decisions in the best interest of the Company in accordance with the Companies Act, 2013 and applicable guidelines and directions issued by the Reserve Bank of India. The details of Committee along with constitution and their meetings held during the Financial Year 2021-22 are given below:

A. AUDIT COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Arjun Dan Ratnoo	Chairman & Member	04	04
Mr. Mohit Sahney	Member	04	04
Mr. Ishaan Mittal	Member	04	04

All the recommendations of Audit Committee were approved and accepted by the Board during the year under review.

B. NOMINATION AND REMUNERATION COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Arjun Dan Ratnoo	Chairman & Member	03	03
Mr. Mohit Sahney	Member	03	03
Mr. Aditya Deepak Parekh	Member	03	03

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE*

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Mohit Sahney	Chairman & Member	01	01

Mrs. Sunita Sahney	Member	01	01
Mr. Arjun Dan Ratnoo	Member	01	01

** Dissolved pursuant to amendments in provisions of Section 135 of the Companies Act, 2013 w.e.f June 01, 2021*

D. ASSET LIABILITY MANAGEMENT COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Mohit Sahney	Chairman & Member	03	03
Mrs. Sunita Sahney	Member	03	03
Mr. Ravi Sharma	Member	03	03

E. RISK MANAGEMENT COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Mohit Sahney	Chairman & Member	01	01
Mrs. Sunita Sahney	Member	01	01
Mr. Ravi Sharma	Member	01	01

F. IT STRATEGY COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Arjun Dan Ratnoo	Chairman & Member	01	01
Mr. Arpit Gupta	Member	01	01
Mrs. Sunita Sahney	Member	01	01

G. EXECUTIVE COMMITTEE

Name of member	Designation	No. of meetings held	No. of meetings attended
Mr. Ravi Sharma	Chairman & Member	19	19
Mr. Mohit Sahney	Member	19	19
Mrs. Sunita Sahney	Member	19	19

15. STATUTORY AUDITORS

M/s S.R. Batliboi & 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 to be held in Calendar Year 2023.

Reserve Bank of India (RBI) has issued guidelines onappointment of statutory auditor (s) by Non-Banking Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS.CD.AR G/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("Circular"/"Guidelines"). With respect to para 2.2 of the aforesaid circular, the incumbent Statutory Auditor of the Company M/s S.R. Batliboi & Associates LLP**,** Chartered Accountants, (FRN: 101049W/E300004) expressed their inability to continue as Statutory Auditor of the Company since they have completed 3 years of the audit tenure thereby creating casual vacancy. Therefore, Board of Directors and Shareholders in their meeting held on September 24, 2021 and October 18, 2021 respectively, after considering and endorsing the recommendation of Audit committee, have recommended to appoint, M/s S. N. Dhawan & Co. LLP (FRN: 000050N/N500045), Chartered Accountants, Gurugram as the Statutory Auditors of the Company, to conduct the audit of the Company for the Financial Year 2021-22 and to hold office upto the conclusion of this AGM.

Accordingly, the Board of Directors of the Company at their Meeting held on Friday, April 29, 2022 has re-appointed M/s S.N. Dhawan & Co. LLP (FRN: 000050N/N500045), Chartered Accountants, as the Statutory Auditors of the Company to hold office for a period of 2 years from the conclusion of ensuing AGM till the conclusion of AGM to be held in the year 2024 subject to the approval of Members of the company at the ensuing AGM.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has obtained an eligibility certificate from the above mentioned Auditor to the effect that they conform with the limits specified in the said Section and that they are not disqualified for reappointment as auditors within the meaning of Section 141 of the Companies Act, 2013 and aforesaid RBI Circular.

16. STATUTORY AUDIT REPORT

The Audit Report on the Financial Statements for the Financial Year 2021-22 does not contain any qualifications, reservations or adverse remarks. The Notes to Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

During the period under review, the Statutory Auditors has not reported, to the Board, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

17. INTERNAL AUDITOR

As part of its efforts to evaluate the effectiveness of the internal control systems, your Company is supported by independent Internal Auditor who evaluates the adequacy of control measures on a periodic basis and recommends improvements, wherever appropriate. The Internal Audit team plays a vital role in continuously monitoring the effectiveness of the Standard Operating Procedures and makes extensive use of software and analytical tools which enables effective offsite or remote auditing. A robust process ensures that the Internal Audit team regularly updates its skills and knowledge base in order to analyse, assess, mitigate and monitor the controls and guard against inadequacies that could pose a threat to the company's strategic objectives. Systematic identification of risks on a proactive basis enables quick decision making on strengthening and redesigning the controls where required, through agile audit plans.

Pursuant to the provisions of section 138 of the Companies Act, 2013, **M/s Shah Patni & Co**., Chartered Accountants, (FRN: 001055C) were appointed as Internal Auditor of the Company to conduct Internal Audit for the Financial Year 2021-22.

The internal audit team is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

18. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

M/s V. M. & Associates, Company Secretaries (FRN: P1984RJ039200) were appointed as the Secretarial Auditors of the Company by the Board of directors at their meeting held on June 01, 2021 to carry out Secretarial Audit for the financial year 2021-22 in terms of the provisions of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the auditors have submitted their Secretarial Audit Report in Form MR-3 for the Financial Year ended on March 31, 2022 which is annexed herewith & marked as **Annexure II** to this Report and your Directors are pleased to inform that the report does not contain any reservation, qualification or adverse remark.

The Secretarial 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.

Further, the Board has approved the re-appointment of M/s V. M. & Associates, Company Secretaries as Secretarial Auditors of the Company to carry out secretarial audit of the Company for the Financial Year 2022-23.

19. CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee of the Company was constituted by the Board of Directors at their meeting held on July 17, 2018 in consonance with the applicability of the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 to govern the Activities and implementation of CSR by the Company. During the Financial Year 2021-22, 1 (one) meeting of CSR Committee was held i.e. on May 31, 2021.

The existing composition of the CSR Committee is given below:

Name of member	Designation
Mr. Mohit Sahney	Chairman & Member
Mrs. Sunita Sahney	Member
Mr. Arjun Dan Ratnoo	Member

Further, the Company has undertaken various CSR projects with focus on mitigation of COVID-19 such as Vaccination for COVID 19 and donation of Oxygen concentrators which are in accordance with Schedule VII of the Companies Act, 2013 and CSR Policy of the Company during the year under review.

The Company also has CSR Policy which sets out the objective, areas, activities and the manner in which the expenditure on CSR obligation would be carried out by the company and the same is available on the website of the company at https://finova.in/policies-codes.php

The CSR Policy, inter alia, covers the following:

- Philosophy, Approach and Direction;
- Guiding Principles for selection, implementation and monitoring of activities and
- Guiding Principles for formulation of Annual Action Plan

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 III** to this report.

However, various amendments have been notified in the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Central government vide its notification dated January 22, 2021, pursuant to which if the amount to be spent by a company under section 135(5) of the Act does not exceed Fifty Lakh rupees, the requirement for constitution of the CSR Committee shall not be applicable and the functions of such Committee provided under this section shall, be discharged by the Board of Directors of the company. Hence, keeping in view the aforesaid amended provision, the Board of directors at their meeting held on June 01, 2021 dissolved the CSR Committee with immediate effect till the time the CSR amount to be spent does not exceed Fifty Lakh rupees and the functions of such Committee provided under this section shall, be discharged by the Board.

20. CAPITAL ADEQUACY

During the year under review, the Capital adequacy ratio stood at 78.45% comprising of TIER I capital ratio of 78.05% and Tier II Capital Ratio of 0.40% well above the regulatory requirement of 15%.

21. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the copy of draft annual return of the Company ended on March 31, 2022 in the prescribed Form MGT-7 is available on the Company's website at https://www.finova.in/annual_report.php.

22. EMPLOYEE STOCK OPTION PLAN

Details of esixting Employees' Stock Option Scheme 2018 and Employees' Stock Option Scheme 2020 pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the year ended March 31, 2022 are as under:

Particulars	ESOP Scheme 2018				
Date of shareholders' approval	October 26, 2018				
Total number of options approved	2,11,642				
	Grant I	Grant II	Grant III	Grant IV	Grant V
Total number of options granted	1,03,900	23,000	78,500	76,500	13,582
Total number of options vested	72,730	16100	31400	NIL	0
Total number of options exercised	10,960	950	4,120	0	0
The total number of shares arising as a result of exercise of option	10,960	950	4,120	0	0
Total number of options lapsed	53,900	8,500	16,160	6,000	1,000
Total no. of options in force*	39,040	13,550	58,220	70,500	12,582
The exercise price (In Rs.)	175.00	175.00	360.97	708.78	708.78
Variation of terms of options	NIL	NIL	NIL	NIL	NIL
Money realized by exercise of options (In Rs.)	19,18,000	1,66,250	14,87,196.40	-	-

Particulars	ESOP Scheme 2020	
Date of shareholders' approval	January 16, 2021	
Total number of options approved	1,93,592	
	Grant I	Grant II
Total number of options granted	1,89,850	29,492
Total number of options vested	NIL	NIL

Total number of options exercised	NIL	NIL
The total number of shares arising as a result of exercise of option	NIL	NIL
Total number of options lapsed	35,750	6,000
Total no. of options in force*	1,54,100	23,492
The exercise price (In Rs.)	708.78	708.78
Variation of terms of options	NIL	NIL
Money realized by exercise of options (In Rs.)	NIL	NIL

* The Number of Options in force includes number of Options vested

Employee wise details of options granted to:

a) Key Managerial Personnel

Sr. No.	**Name of the KMP as on March 31, 2022**	**ESOP Scheme 2018**		**ESOP Scheme 2020**	
		Granted	**Exercised**	**Granted**	**Exercised**
1.	Ravi Sharma, CFO	12,000	NIL	NIL	NIL
2.	Jaikishan Premani, CS	NIL	NIL	4,000	NIL

b) Any other employee who received a grant of Options in any one year of Options amounting to five percent or more of Options granted during that year: None

c) Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: None

EMPLOYEES STOCK OPTION PLAN 2022 ("ESOP - 2022")

The Members of the Company have granted their approval in Extra-Ordinary General Meeting held on April 01, 2022 to introduce and implement **Employees Stock Option Plan 2022 ("ESOP - 2022")** to create, grant, offer, issue and allot to eligible employees at any time in one or more tranches, stock options not exceeding in aggregate of 2,83,116 (Two Lakh Eighty Three Thousand One Hundred and Sixteen) in accordance with the provisions of Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

Although, the aforementioned introduction of ESOP-2022 has occurred after the closure of Financial Year, however, your Board of Directors find it prudent to keep their Shareholders informed about the said change.

23. 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, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of The Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 are given in the **Annexure IV** to this Report.

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24. INTERNAL FINANCIAL CONTROL SYSTEMS

The Company believes that internal control is a necessary prerequisite of Governance and that freedom should be exercised within a framework of checks and balances. Therefore, the Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Company policies are reviewed periodically in line with the dynamic business environment and regulatory requirements. The Board reviews adherence to internal control systems and internal audit reports.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that during the Financial Year ended on March 31, 2022, Company had sound internal financial controls. These controls placed by the Company are commensurate with the nature and size of the business operations and are adequate and operating effectively with no material weakness.

25. 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. During the year under review, no complaints were received by the Company.

In accordance with Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formed an Anti-Sexual Harassment Policy and has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, temporary, trainees) are covered under this policy. The Internal Complaints Committee (ICC) redresses the complaints pertaining to sexual harassment and any complaint which is received by the Committee is dealt with appropriate sensitivity and confidentiality in the most judicious and unbiased manner with the time frame as prescribed by the Act.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22:

- 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

26. 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:

Credit Risk: A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms is commonly known as risk of default.

Operational Risk: Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organization, is termed as Operational Risk. Majorly it is internal and unknown. Therefore, the persons responsible shall keep continuous watch and shall gather the symptoms/warning signals to manage Operational risk.

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.

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 re-pricing mismatches and other interest rate sensitive positions.

Compliance Risk: The Company is regulated principally by and has various reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. Company has to ensure compliance with regulatory and statutory requirements. Non-Compliance can result in stringent actions and penalties from the Regulator and/or Statutory Authorities.

Reputation Risk: Reputation risk is the risk to earnings and capital arising from adverse perception of the image of the company from the part of various stakeholders and regulators. This risk may arise from the company's reputation getting tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity.

27. FIXED DEPOSITS

Being a non-deposit taking Company, your Company has not accepted any deposits from the public within the meaning of the provisions of Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of the Companies Act, 2013 are not applicable on the Company. Further, the Company shall not accept deposits from public without obtaining prior approval from the RBI.

28. 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. Further, the details regarding the loans given and investments made by the Company during the year under review have been covered under notes to accounts nos. 4 and 5 of Audited Financial Statements for the Financial Year 2021-22.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has adopted a Policy on dealing with Related Party Transactions for the purpose of identification, monitoring and approving of such transactions.

All the related party transactions that were entered during the financial year are done on an arm's length basis. Relevant Form (AOC-2) 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 is given as **Annexure V** to this Report. Further all the necessary details of transactions entered with the related parties are mentioned in the Note No. 37 of the Financial Statements for the financial year ended March 31, 2022 in accordance with the Accounting Standards.

Policy on dealing with Related Party Transactions can be accessed on website of the Company through weblink https://www.finova.in/policies/50.pdf and also forming integral part of the Annual Report as **Annexure VI**.

30. RBI GUIDELINES

The Company is registered with RBI as a NBFC-ND-SI. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“RBI Master Directions”), as amended from time to time.

As a prudent practice, your company makes accelerated provisioning for Non-performing Assets (NPAs) than that required by the RBI for NBFCs. The Capital to Risk Asset Ratio of the Company is 78.45% as on March 31, 2022 as compared to ratio as on March 31, 2021 i.e. 62.60%.

During the year under review, there were no frauds reported by the Company in terms of Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

During the period under review, no material orders have been passed by the Regulators/ Courts/Tribunals which would impact the going concern status of the company and its future operations.

32. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a Whistle Blower Policy/Vigil Mechanism to deal with the cases of unethical behavior in all its business activities, fraud, mismanagement and violation of Code of Conduct of the Company. The policy provides systematic mechanism to report the concerns and adequate safeguards against the victimization of Directors and Employees, who avail the mechanism, if any.

The policy is available on the Company's website at the weblink i.e. http://www.finova.in/policies-codes.php.

During the financial year, no whistle blower event was reported and mechanism is functioning well. No personnel have been denied access to the Chairperson of Audit Committee.

33. INFORMATION TECHNOLOGY SUPPORT

The Company has invested into new edge technologies to drive its core system modernization, digital and data initiatives. The Company has standardized its core systems and built seamless integrations with number of FinTech partners. This is in line with the Company's endeavour to drive best in class customer experience and drive operational efficiencies.

The Company continues to enhance its Digital platform for the Retail businesses. The Use of Digital KYC has been a key focus area to drive business growth, automate processes, improve productivity and enhance customer experience. The Company has been placed quite favourably for its digital architecture in recently done benchmarking exercise.

Your Company strongly believes that technology will continue to be a key business enabler going forward and it would like to leverage new-age technologies to the best possible level.

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

During the Financial Year under review, the Company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), therefore, it is not applicable to the Company.

35. HUMAN RESOURCES

The details in respect of Human Resources are included in the Management Discussion and Analysis, which forms an integral part of this Annual Report as **Annexure I.**

36. 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**.

37. 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.

38. ACKNOWLEDGMENT

Your Directors gratefully acknowledges with appreciation, the financial support and co-operation extended by Banks/Financial Institutions/Debenture holders and others. The Directors place on record with pleasure their thanks to Employees, Shareholders, Advisors, Lenders, Borrowers, Regulators, Rating Agencies 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, 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: APRIL 29, 2022
PLACE: JAIPUR

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-	**Sd/-**
SUNITA SAHNEY	**MOHIT SAHNEY**
WHOLE TIME DIRECTOR	**MANAGING DIRECTOR & CEO**
DIN: 02395354	**DIN: 07280918**

REGD. OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE,
PLOT NO. 13-14, COSMO COLONY, AMRAPALI MARG,
VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic review

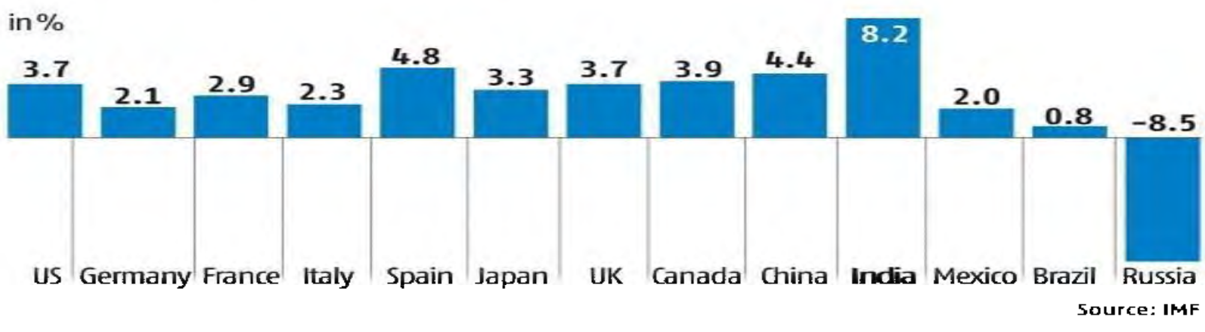
The post-Covid-19 pandemic recovery is being hit by a potentially huge global supply shock that will reduce growth and push up inflation. The war in Ukraine and economic sanctions on Russia have put global energy supplies at risk. Sanctions seem unlikely to be rescinded any time soon. Russia supplies around 10% of the world's energy, including 17% of its natural gas and 12% of its oil. The jump in oil and gas prices will add to industry costs and reduce consumers' real incomes. Outright shortages and energy rationing are possible in Europe if there is an abrupt halt to Russian supply. Higher energy prices are a given. Fitch Ratings has cut its world GDP growth forecast for 2022 by 0.7pp to 3.5%, with the eurozone cut by 1.5pp to 3.0% and the US by 0.2pp to 3.5%. This reflects the drag from higher energy prices and a faster pace of US interest rate hikes than anticipated.

Russia supplied around a quarter of the eurozone's primary energy consumption in 2019. This equals the share of OPEC oil output in global primary energy production in 1973. Diversification to other sources will take time.

US exposure to Russian energy is much lower but the rise in world oil prices is adding to what was already becoming a major inflation problem. Consumer goods prices continue to rise sharply and services inflation has hit a 30-year high as rents accelerate and wage growth approaches 6%. Households' concerns about inflation are rising.

The People's Bank of China is, by contrast, in easing mode with inflation still low. Further interest rate and reserve requirement ratio (RRR) cuts and significant fiscal easing is expected.

Inflation challenges and supply shocks could take a much heavier toll on world GDP growth if they prompt much more abrupt Fed tightening, push oil prices to USD150 a barrel for a sustained period and were associated with widespread energy rationing in Europe.



Outlook

The outlook for global GDP growth has deteriorated significantly as inflation challenges intensify and Russia's invasion of Ukraine threatens global energy supplies.

Source - Fitch rating, IMF and business standards

Indian economic review

The COVID-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity.

Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Indian economy passed through one of the most volatile periods in living memory in 2020-21.

India was on recovery path from COVID impact this year but global economy has been severely set back due to Russia's invasion of Ukraine. This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones

The outlook has deteriorated, largely because of Russia's invasion of Ukraine — causing a tragic humanitarian crisis in Eastern Europe — and the sanctions aimed at pressuring Russia to end hostilities.

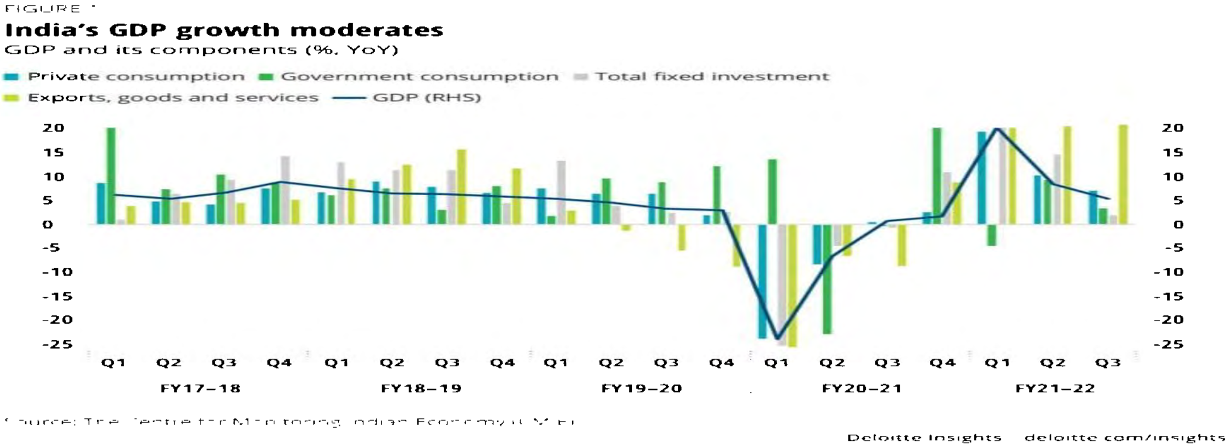
The International Monetary Fund (IMF), in its latest World Economic Outlook report, has slashed its forecast for India's FY23 gross domestic product growth to 8.2 per cent from 9 per cent, saying that higher commodity prices will weigh on private consumption and investment. It also expected India's FY23 current account deficit to be 3.1 per cent, compared with 1.5 per cent expected for FY22. There was also a cut in India's FY24 GDP growth forecast to 6.9 per cent from 7.1 per cent estimated in IMF's January report.

In addition to the war, frequent and wider-ranging lockdowns in China — including in key manufacturing hubs — have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

India is particularly vulnerable to high oil prices, given that it is a large importer of crude oil.

India's GDP grew by 5.4% during October–December 2021 (Q3 FY2021–22), slower than earlier estimated. Growth in the July–September quarter was revised up to 8.4%, which explains the fading recovery in the subsequent quarter. The uneven (modest, at best) recovery in a few sectors, especially agricultural, manufacturing, and contact-intensive services sectors, weighed on the overall growth.

On the expenditure front, although festive demand and reduced infections boosted private consumption, growth momentum slowed compared to previous quarters. Slower-than-expected demand growth and lower capacity utilization weighed on the momentum in gross fixed capital formation growth. Even government expenditure declined this quarter. However, exports maintained a strong momentum, pushing the overall growth upward.



Consumer price inflation (CPI) breached the upper band of the Reserve Bank of India's (RBI's) comfort zone (of 4%+2%) and grew by 6% in January 2022 as against 5.7% in the previous month. Wholesale price inflation also jumped to a decadal high of 12.96% (figure 2). Prices rose primarily because of logistics and supply chain disruption as the number of infections increased and regional lockdowns were imposed. Prices of food commodities—led by vegetables, edible oils, and poultry products—witnessed sharp increases.

Outlook

For India's growth outlook, inflation will likely be the wild card over the next year. The sharply rising oil and gas, commodity, and food and fertilizer prices may trigger terms-of-trade shock and result in cost-push inflation. Supply disruptions and sanctions will add to global inflation, which will also feed into domestic prices. While production-cost escalations across industries will result in higher producer prices, the impact on consumer prices will depend on the degree of pass-through to consumers. Furthermore, the rapid reopening of the economy that is currently underway will drive growth in contact-intensive services sectors, which have been laggards so far. This will push prices for services up as well, adding to the inflation woes.

The RBI will likely lean toward containing prices and, therefore, raise policy rates. The next few months will be important for India's economy as the government and the RBI work at balancing the stress on inflation, currency, external accounts, and fiscal deficit. The good news is, India has endured the COVID 19 pandemic for over two years and has come out of it more resilient. The hope is that the current pressures on the economy too shall pass.

Source: Deloitte report

NBFC Sector

It is expected a Stable rating Outlook for non-banking finance companies (NBFCs) for FY23. It is expected that in absence of any negative event, would see normalization of business activities, after facing challenges in the past few years following the default by Infrastructure Leasing & Financial Services Ltd ('IND D') leading to liquidity challenges and then the COVID-19 pandemic.

NBFCs would begin the year with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity would aid funding. Nevertheless, an expected increase in systemic interest rates and asset quality issues in some segments due to the lagged impact of pandemic would be a drag on the operating performance.

The sector has been facing increased regulatory oversight and push towards convergence with banks through various measures such as scale-based regulation, realignment in asset quality classification and Prompt Corrective Action norm. The incremental impact of the notification on NPA recognition however will be moderate as the maximum impact has already been seen in 3QFY22 figures and NBFCs are holding adequate provisions.

Secured Asset Business Could See Revival: NBFCs are expected to maintain loan growth of around 14% yoy in FY23, with FY22 growth closing at 7%-8%. Ind-Ra thus believes FY23 could be a year of normalcy in disbursements. The products such as loans against property, housing loans and vehicle finance could witness a higher demand than personal and unsecured business loans which saw a higher demand during the pandemic. Growth in the vehicle finance segment could revive depending on the availability of vehicles which are facing component shortage due to the pandemic, along with an increase in borrower confidence towards an economic recovery.

The gold loan segment could see moderate growth in tandem with gold prices along with opening up of other financing avenues for borrowers. Loans against property would see reasonable growth as it would remain the prime source for borrowers to avail loans for working capital or growth capital. Lenders in the personal loan and business loan segments in the unsecured category are likely to remain among the most impacted asset classes and lenders thus would remain cautious. In this aspect, supply chain financing where the obligations of lenders remain on strong anchors could gain traction. Tractor financing could remain stable with growth being in line with that of the agriculture sector and government rural spend.

Interest Rate would Inch-up, Requiring Recalibration across Funding Avenues: As we navigate out from the easy liquidity scenario, there could be a testing of floor regarding funding costs for lenders, where a rising interest rate would impact funding costs for incremental borrowings across lenders. The existing on-balance sheet liquidity would help in maintaining funding costs for certain quarters. However, the cost of incremental borrowings is likely to rise across capital market instruments which would be the first to get repriced in a new operating environment where pass-through from banks could be with a lag.

It expected that Credit Cost to Normalize, but Asset Quality Headline Number could remain Elevated: Ind-Ra expects loan growth in FY22 and FY23 to be around 8% yoy and 14% yoy, respectively, for its rated NBFCs (excluding government entities). NBFCs' stage 3 assets could increase to 6% by FY23 from 5.6% in 3QFY22, primarily due to slippages from the restructured and Emergency Credit Line Guarantee Scheme supported book. However, the credit cost impact is likely to be moderate as NBFCs have created adequate provisioning buffers.

Ind-Ra believes the segments facing heightened delinquencies for nonbanks are the ones where customer profile could be most vulnerable such as two-wheelers, passenger vehicles, unsecured business loans, microfinance and heavy commercial vehicles. Ind-Ra believes among these asset classes, the vehicle finance segment could see a revival in FY23 as the business momentum improves.
The gold finance segment has shown a resilient performance in the pandemic and would continue to be so in the medium term.

The industry has navigated the COVID-19 pandemic with moderate disruptions in collection efficiency and a build-up in asset quality, partially also led by the implementation of the circular on

NPA classification. Ind-Ra believes the sector could grow at 13% yoy in FY23 (FY22: 11%) with gross stage 3 numbers increasing to 3.3% from 2.8% in 3QFY22 (FY22: 2.9%), largely due to slippages from the restructured book (FY23: 1.7%; FY22: 2.1%). Additionally, 2% of AUM is supported by lending under Emergency Credit Line Guarantee Scheme which could also see slippages. The broad stage 3 number could rise by 70bp as it was seen in 3QFY22, due to the change in NPA recognition norm.

Source: Report of India Ratings and Research

About Finova Capital

Finova Capital Private Limited ("FCPL"/the "Company") is registered as a NBFC - Non-Deposit taking Systemically Important, pursuant to the certificate of registration issued by the Reserve Bank of India ("RBI") dated 02nd March, 2016.

FCPL is primarily engaged in financing of MSME Loan and Housing loan which is 100% backed by immovable property. It provides loans to unorganized, unreached MSME sector and currently focuses in the Semi Urban and Rural areas. These are credit worthy customers who may or may not have the income proof documents like IT return, salary slip and hence are financially excluded by other large mortgage companies.

Presently the FCPL is operating in 10 states namely Rajasthan, Madhya Pradesh, Delhi, Uttar Pradesh, Haryana, Chhattisgarh, Jharkhand, Bihar, Uttrakhand and Punjab with the network of more than 160 branches. The Company would expand its Branches in these states to leverage the customer base for MSME business in rural and semi urban areas.

SCOT analysis of FCPL

Strengths	**Challenges**	**Opportunities**	**Threats**
Ability to appraise the informal segment with better asset quality	Overall economic downturn	credit gap in rural and semi-urban regions	Economic vulnerability owing to global challenge due to Ukrain war
Strong liquidity cushion		Huge unserved and underserved markets	Inflation pressure
Positive ALM and no short-term borrowing			
Support of marquee Investors			

Company's performance review, FY 2021-22

FINANCIAL AND OPERATIONAL PERFORMANCE

i. Financial Performance

PARTICULARS		(Rs. in lakhs)
	2021-22	**2020-21**
Income:		
Revenue from operations	18,329.07	12,296.13
Other Income	1.45	5.44
Total Income	**18,330.52**	**12,301.57**
Total Expenditure	**14,468.06**	**10,094.31**
Profit / (Loss) before Tax	**3,862.46**	2,207.26
Less: Tax expenses	**961.87**	557.11
Net Profit after Tax	**2,900.59**	**1,650.15**

ii. Asset under Management ("AUM")

During the Financial Year under review, your Company has shown growth in Asset Under Management ("AUM") from Rs. 58,577.04 Lakhs to Rs. 94,819.35 Lakhs with an annual growth of 61.87%.

iii. Net worth

Your Company's Net worth stood at 91,846.54 as on March 31, 2022.

iv. The Earnings per share (Basic and diluted)

The Earnings per share (Basic) was Rs. 19.69 in 2020-21 as against Rs. 13.09 in the previous year.

v. Disbursements

The Company disbursed Rs. 48,302.85 crore of loans during 2021-22 as compared to 26,206.86 crore in the previous year.

vi. Non-Performing Assets (NPA)

The Company conformed to a defined policy with procedures to address delinquencies and collections. As a result, Gross NPA and net NPA as of March 31, 2022 were 1.81% and 1.06% respectively (against 0.68% and 0.40% respectively in the previous financial year).

vii. Capital Adequacy Ratio

During the year under review, the Capital adequacy ratio stood at 78.45% comprising of TIER I capital ratio of 78.05% and Tier II Capital Ratio of 0.40% well above the regulatory requirement of 15%.

RESOURCE MOBILIZATION

i. Share Capital

During the Financial year under review, the Company has raised Rs. 450.02 crore by issuance of securities to the new and existing investors including promoters and successfully completed Series C-2 and Series D capital rounds.

Marquee institutional investors such as Norwest Capital and Maj Invest have joined the Company as its shareholders in above capital raising rounds.

After the above changes in the Share Capital of the Company, the Authorised and Paid Up Share Capital as on March 31, 2022 stood at:
Authorised Share Capital – Rs. 141,00,00,000/-
Paid Up Share Capital – Rs. 130,38,68,440/-

ii. Term loans from Banks and financial institutions

During the Financial Year, the Company received aggregate fresh loan sanctions amounting to Rs. 44,400.00 lakh and has availed loans aggregating to Rs. 40,100.00 lakh. The outstanding term loans from Banks and Financial Institutions as at March 31, 2022 were Rs. 57,962.43 lakh.

iii. Non-Convertible Debentures (NCDs)

During the Financial Year, the Company has not raised any funds from issuance of NCDs. The Company's outstanding from NCDs as at March 31, 2022 were Rs. 6,465.33 lakh.

iv. Commercial Paper (CP)

The Company had not issued any Commercial Paper and Short-Term Instrument during the Financial Year 2021-22 and as on March 31, 2022, the Company's Commercial Paper outstanding was Nil.

HUMAN RESOURCES

The Company believes that its competitive advantage lies in its people. The Company's people bring to the stage multi-sectoral experience, technological experience and domain knowledge.

The Company always takes decisions in alignment with the professional and personal goals of employees, achieving an ideal work-life balance and enhancing pride in association. The Company's employee count (on roll) stood at 1426 as of March 31, 2022.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that internal control is a necessary prerequisite of Governance and that freedom should be exercised within a framework of checks and balances. Therefore, the Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies.

The Management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Company policies are reviewed periodically in line with the dynamic business environment and regulatory requirements. The Board reviews adherence to internal control systems and internal audit reports.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that during the Financial Year ended on March 31, 2022, Company had sound internal financial controls. These controls placed by the Company are commensurate with the nature and size of the business operations and are adequate and operating effectively with no material weakness.

CREDIT RATING

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by rating agencies and your Company believes that its Credit Rating enables it to borrow funds at competitive rates. The Credit Rating details of the Company as on March 31, 2022 were as follows:

Sr. No.	Type of instrument	Rating	Name of credit rating agency
6.	Long term Bank Facilities	Acuite A-/Stable	Acuite Ratings & Research Limited
7.	Non-Convertible Debentures	Acuite A-/Stable	Acuite Ratings & Research Limited
8.	Principal Protected Market Linked Non-Convertible Debentures	Acuite PP-MLD A-/Stable	Acuite Ratings & Research Limited
9.	Long term Bank Facilities	CARE BBB+; Positive	CARE Ratings Limited
10.	Non-Convertible Debentures	CARE BBB+; Positive	CARE Ratings Limited

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward– looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

ANNEXURE II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Finova Capital Private Limited
702, Seventh Floor, Unique Aspire
Plot No. 13-14 Cosmo Colony
Amrapali Marg, Vaishali Nagar
Jaipur– 302 021 (Rajasthan)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (repealed w.e.f. 13th August, 2021) **(Not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 notified on 13th August, 2021 **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(repealed w.e.f. 9th August, 2021);**

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **notified on 9th August, 2021;**

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (repealed w.e.f. 10th June, 2021) **(Not applicable to the Company during the Audit Period);**

(j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 notified on 10th June, 2021 **(Not applicable to the Bank during the Audit Period);**

(k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and

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

(vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

(a) The Reserve Bank of India Act, 1934;

(b) Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016; (Upto 1st June, 2021)

(c) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; (w.e.f 1st June, 2021)

(d) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;

(e) Master Direction - Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016;

(f) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016; and

(g) Master Direction - Information Technology Framework for the NBFC Sector;

(h) Master Direction – Know your Customer (KYC) Direction, 2016

(i) Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;
ii. The Listing Agreement entered into by the Company with BSE Limited.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent director was present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the Audit Period the company has:-

(i) Duly passed the resolution pursuant to Section 42 and 71 of the Act for approving the issue of Non-Convertible Debentures for an amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) on private placement basis in one or more tranches;

(ii) Increased the Authorized Share Capital of the Company from Rs. 111,00,00,000/- (Rupees One Hundred and Eleven Crores Only) to Rs. 141,00,00,000/- (Rupees One Hundred and Forty One Crores Only) divided into 60,00,000 (Sixty Lakh) Equity shares of Rs.10/- (Rupees Ten only) each and 1,35,00,000 (One Crore and Thirty Five Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) each;

(iii) Issued and allotted 2,39,108 (Two Lakh Thirty-Nine Thousand One Hundred and Eight) partly paid-up Series C-2 compulsorily convertible cumulative preference shares ("Series C-2 CCCPS") of face value of Rs. 100/- (Rupees Hundred Only) each, for cash, at an issue price of Rs. 743.50/- (including premium of Rs. 643.50/-) per CCCPS aggregating to an amount of Rs. 17,77,76,798/- (Rupees Seventeen Crore Seventy-Seven Lakh Seventy-Six Thousand Seven Hundred and Ninety-Eight Only) on private placement basis. Company has received Re. 1.00 (Rupee One Only) per Series C-2 CCCPS on such partly paid-up shares;

(iv) Issued and allotted 65,300 (Sixty Five Thousand and Three Hundred) fully paid-up Equity Shares of face value of Rs.10/- (Rupees Ten Only) each, fully paid-up for cash, at an issue price of Rs. 1533.82/- (including premium of Rs. 1523.82/-) per Equity Share and 28,68,551 (Twenty-Eight Lakh Sixty-Eight Thousand Five Hundred and Fifty One) fully paid-up Series D Compulsorily Convertible Cumulative Preference Shares ("Series D CCCPS") of face value of Rs. 100/- (Rupees Hundred Only) each, fully paid-up for cash, at an issue price of Rs. 1533.82/- (including premium of Rs. 1433.82/-) per CCCPS aggregating to an amount of Rs. 4,49,99,99,340.82/- (Rupees Four Hundred Forty-Nine Crores Ninety-Nine Lakh Ninety-Nine Thousand Three Hundred and Forty and Eighty-Two Paisa Only) on private placement basis;

Place: Jaipur
Date: April 29, 2022
UDIN: F003355D000239351

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

Sd/-
CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

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

Annexure A

To,
The Members,
Finova Capital Private Limited
702, Seventh Floor, Unique Aspire
Plot No. 13-14 Cosmo Colony
Amrapali Marg, Vaishali Nagar
Jaipur– 302 021 (Rajasthan)

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

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

Place: Jaipur
Date: April 29, 2022
UDIN: F003355D000239351

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

Sd/-
CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

ANNEXURE III

Annual Report on Corporate Social Responsibility Activities for Financial Year 2021-22

1. Brief outline on CSR Policy of the Company

The Company has a Board adopted Corporate Social Responsibility ("CSR") Policy, in accordance with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and Schedule VII of the Act. 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: Promoting health care by donating Oxygen Concentrator; Promotion of safe drinking water by installation of water coolers; Providing basic furniture for Senior citizen Community Center and Promoting health care by donation for Covid Vaccination. 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.

During the previous financial year, it focused its CSR efforts towards mitigation of COVID-19 impact.

This policy 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.

Objectives:

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.

Further, during the Financial Year 2021-22, the company has undertaken various CSR activities by way of making availability of vaccination camps for public, by donating Oxygen Concentrator for public, providing Safe Drinking Water by installation of water coolers and ensuring senior citizen welfare by providing with basic furniture for Senior citizen Community Centre which are in accordance with Schedule VII of the Companies Act, 2013 and CSR Policy of the Company.

2. Composition of the CSR Committee:

The CSR Committee of the company was constituted by the board of directors at their meeting held on July 17, 2018 in consonance with the applicable provisions of Section 135 read with Schedule VII of the Companies Act, 2013 ("the Act") read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 to govern the Activities and implementation of CSR by the Company.

However, various amendments have been notified in the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Central government vide its notification dated January 22, 2021, pursuant to which if the amount to be spent by a company under section 135(5) of the Act does not exceed Fifty Lakh rupees, the requirement for constitution of the CSR Committee shall not be applicable and the functions of such Committee provided under this section shall, be discharged by the Board of Directors of the company.

The amount to be spent by the company under section 135(5) of the Act did not exceed Fifty Lakh rupees since the last three financial year(s) (from Financial Year 2018-19 till the financial year 2020-21). Hence, keeping in view the aforesaid amended provision, the Board of directors at their meeting held on June 01, 2021 decided to dissolve the CSR Committee with immediate effect till the time the CSR amount to be spent does not exceed Fifty Lakh rupees and the functions of such Committee provided under this section shall, be discharged by the Board.

The composition of the committee during the year 2021-22 was as under:-

<table>
<tr><th colspan="3">Composition at the beginning of the year (as on April 01, 2021)</th><th rowspan="2">Number of meetings of CSR Committee held during the year</th><th rowspan="2">Number of meetings of CSR Committee attended during the year</th><th rowspan="2">Composition at the end of the year (as on March 31, 2022)</th></tr>
<tr><th>S. No.</th><th>Name of the Director</th><th>Designation/ Nature of Directorship</th></tr>
<tr><td>1</td><td>Mr. Mohit Sahney</td><td>Chairman, MD & CEO</td><td>1</td><td>1</td><td rowspan="3">The Committee stands dissolved w.e.f June 01, 2021</td></tr>
<tr><td>2</td><td>Mr. Arjun Dan Ratnoo</td><td>Member, Independent Director</td><td>1</td><td>1</td></tr>
<tr><td>3</td><td>Mrs. Sunita Sahney</td><td>Member, Whole-time Director</td><td>1</td><td>1</td></tr>
</table>

However, considering the existing position of the Company the Board of directors at their meeting held on April 29, 2022 approved constitution of CSR Committee of the Company which comprising of 3 Directors, out of which atleast 1 (One) director is an independent director.

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

The composition of the CSR Committee of the Company has been hosted on the website of the company at http://www.finova.in/committees.php, CSR Policy at https://finova.in/policies-codes.php and CSR projects at https://www.finova.in/annual_report.php.

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

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

SI. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2020-21	95,151.40	95,151.40
Total		**95,151.40**	**95,151.40**

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

Average net profit was Rs. 15,37,89,804.58/- (Rupees Fifteen Crore Thirty Seven Lakh Eighty Nine Thousand Eight Hundred Four and Fifty eight Paisa Only)

7. **(a.) Two percent of average net profit of the company as per section 135(5):** Rs. 30,75,796.10/- (Rupees Thirty Lakh Seventy Five Thousand Seven Hundred Ninety Six And Ten Paisa Only)

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

   (c.) Amount required to be set off for the financial year, if any: Rs. 95,151.40/-

   (d.) Total CSR obligation for the financial year (7a+7b-7c): Rs. 29,80,644.70/- i.e. Rs. 29,81,000/- (rounded off) (Rupees Twenty Nine Lakhs Eighty One Thousand Only)

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

	Amount Unspent (In Rs.)				
Total Amount Spent for the Financial Year (in Rs.)	**Total Amount transferred to Unspent CSR Account as per section 135(6)**		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**		
	Amount	**Date of Transfer**	**Name of the Fund**	**Amount**	**Date of Transfer**
35,67,404.00/-	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	No ongoing project undertaken by the company											
2.												
3.												
	Total											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting health care by donating Oxygen Concentrator	Eradicating hunger, poverty and malnutrition, [''**promoting health care including preventive health care**''] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Rajasthan	Jaipur	4,00,000	No	Sewa Bharti Samiti Rajasthan	CSR00005451
2.	Providing basic furniture for Senior citizen Community Center	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day	Yes	Rajasthan	Barmer	43,205	Yes	NA	NA

FINOVA CAPITAL
FINANCING DREAMS

		care centres and such **other facilities for senior citizens** and measures for reducing inequalities faced by socially and economically backward groups.							
3.	Promotion of safe drinking water by installation of water coolers	Eradicating hunger, poverty and malnutrition, [‘‘promoting health care including preventive health care’’] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and **making available safe drinking water**.	Yes	Rajasthan	Barmer	51,750	Yes	NA	NA
4.	Promoting health care by donating for COVID Vaccination	Eradicating hunger, poverty and malnutrition, [‘‘**promoting health care including preventive health care**’’] and	Yes	Rajasthan	All	30,00,000	Yes	NA	NA

		sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.							
Total						**34,94,955**			

(d) Amount spent in Administrative Overheads: Rs. 72,449/-

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 35,67,404/-

(g) Excess amount for set off, if any: Rs. 5,86,404/-

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 29,81,000*/-
(ii)	Total amount spent for the Financial Year	Rs. 35,67,404.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 5,86,404/-
(iv)	Surplus arising out of the CSR projects or programme or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 5,86,404/-

- Including the impact of setting off the excess amount of expenditure i.e. Rs. 95,151.40

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	NIL (No amount is unspent for the preceding three financial years)						
2.							
3.							
	Total						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (In Rs.)	Amount spent on the project in the reporting Financial Year (In Rs)	Cumulative amount spent at the end of reporting Financial Year (In Rs.)	Status of the project - Completed /Ongoing
1	NIL (The company has not undertaken any ongoing project during any preceding financial year or current financial year)							
2								
3								
	Total							

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

    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** NA (being company has spent its obligation amount).

DATE: APRIL 29, 2022
PLACE: JAIPUR

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-	**Sd/-**
SUNITA SAHNEY	**MOHIT SAHNEY**
WHOLE TIME DIRECTOR	**MANAGING DIRECTOR & CEO**
DIN: 02395354	**DIN: 07280918**

REGD. OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE,
PLOT NO. 13-14, COSMO COLONY, AMRAPALI MARG,
VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

FINOVA CAPITAL
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ANNEXURE IV

(A) Conservation of energy:

(i) The steps taken or impact on conservation of energy: The operations of the Company, being financial services related, require normal consumption of energy. However adequate Measures have been initiated to reduce energy consumption further. The head office and branches of the Company have been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional CFL and incandescent bulbs. Air Conditioners' temperature across all Offices are maintained at the optimum ambient temperature (24-25 degree Celsius) resulting into savings of energy and also at some premises outgoing air conditioner duct design has been modified to provide better energy efficiencies.
(ii) The steps taken by the company for utilizing alternate sources of energy: Nil
(iii) The capital investment on energy conservation equipment: In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment.

The Company is however, constantly pursuing its goal of technological up-gradation in a cost effective manner for delivering quality customer service.

(B) Technology absorption:
(i) The efforts made towards technology absorption: N.A.
(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 during the year under review and foreign exchange outgo for the Financial Year ended on March 31, 2022 is Rs. 15.32 Lakhs.

DATE: APRIL 29, 2022
PLACE: JAIPUR

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/-	**Sd/-**
SUNITA SAHNEY	**MOHIT SAHNEY**
WHOLE TIME DIRECTOR	**MANAGING DIRECTOR & CEO**
DIN: 02395354	**DIN: 07280918**

REGD. OFFICE: 702, SEVENTH FLOOR, UNIQUE ASPIRE,
PLOT NO. 13-14, COSMO COLONY, AMRAPALI MARG,
VAISHALI NAGAR, JAIPUR-302021 (RAJASTHAN)

ANNEXURE V

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

i.	Name(s) of the related party and nature of relationship	**Nil**
ii.	Nature of contracts/arrangements/transactions	**Nil**
iii.	Duration of the contracts / arrangements/transactions:	**Nil**
iv.	Salient terms of the contracts or arrangements or transactions including the value, if any	**Nil**
v.	Justification for entering into such contracts or arrangements or transactions	**Nil**
vi.	Date(s) of approval by the Board	**Nil**
vii.	Amount paid as advances, if any	**Nil**
viii.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	**Nil**

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

S. No.	Name(s) of the related party and nature of relationship	Nature of Contract/ arrangements/ transactions	Duration of the Contract/ 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
1.	Mr. Rahul Sahney (Bother of Mr. Mohit Sahney, Managing Director and CEO of the Company)	Appointment at office or place of Profit	Regular	Appointment of Mr. Rahul Sahney as Chief Operating Officer on monthly remuneration upto Rs. 15,00,000/- which shall be approved by board from time to time.	Board Approval: June 01, 2021 Shareholder's approval July 03, 2021	--

DATE: APRIL 29, 2022
PLACE: JAIPUR

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR FINOVA CAPITAL PRIVATE LIMITED

Sd/- **Sd/-**

SUNITA SAHNEY
WHOLE TIME DIRECTOR
DIN: 02395354

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 (RAJASTHAN)

FINOVA CAPITAL
FINANCING DREAMS

ANNEXURE VI

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

PREFACE

The board of directors (the "Board") of Finova Capital Private Limited ("Company") has adopted the following policy and procedures with regard to Related Party Transactions (as defined hereinafter) at its meeting held on June 01, 2021 to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company. The Company may enter into transactions with related parties to leverage scale, size and drive operational synergies while ensuring that such transactions are in compliance with the applicable legal requirements.

OBJECTIVE & PURPOSE OF POLICY

This Policy on dealing with Related Party Transactions is framed in consonance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Direction DNBR. PD. 008/03.10.119/2016-17") dated September 01, 2016 (as updated from time to time) and is intended to ensure proper reporting, approval and disclosure of the concerned transactions between the Company and its Related Parties.

This policy deals with the review and approval mechanism of related party transactions keeping in mind the potential or actual conflict of interest that may arise because of such transactions.

DEFINITIONS

1) "**Act**" means the Companies Act, 2013 and shall include all rules, regulations, sub-ordinate legislations made thereunder, amendments, modifications and re-enactments of the.

2) **"Audit Committee or Committee"** means a Committee of the Board of Directors of the Company constituted in terms of the Guidelines issued by RBI, Listing Regulations and the Act.

3) **"Arm's Length Basis"** means a transaction between two Related Parties that is conducted as if they were unrelated so that there is no conflict of interest. For determining Arm's Length Basis, reliance shall be placed on Indian Accounting Standard (Ind AS) 24.

4) "**Articles" or "AOA**" means the Articles of Association of the Company as may be amended from time to time as prescribed under the Transaction Documents.

5) **"Board of Directors" or "Board"** means the Board of Directors of the Company, as constituted from time to time.

6) "**Director**" shall mean a director on the Board;

7) **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes:-

a. Managing Director, or Chief Executive Officer or Manager
b. Whole-time Director;
c. Company Secretary;
d. Chief Financial Officer;
e. such other officer as may be prescribed

8) **"Material Related Party Transaction"** means a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the company as per the last audited financial statements of the company shall be considered material.

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

10) "**Policy**" means this policy on dealing with Related Party Transactions of the Company.

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

12) **"Related Party Transaction"** means any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
Explanation – A "*transaction"* with a related party shall be construed to include single transaction or a group of transactions in a contract.

13) **"Relative"** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under

APPROVAL OF RELATED PARTY TRANSACTIONS

- **Approval of the Audit Committee**

All Related Party transactions require prior approval of the Audit Committee whether entered in the ordinary course of business and at arm's length basis or not.

Each proposed Related Party Transaction or any modifications thereof, shall be placed before the Audit Committee for prior approval in accordance with this Policy.

The Company may obtain omnibus approval from the Audit Committee for related party transactions, proposed to be entered into by the company subject to the following conditions, as mentioned below, except for transactions in respect of selling or disposing of the undertaking of the company:

a) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

   (i) Repetitiveness of the transactions (in past or in future);
   (ii) Justification for the need of omnibus approval;

b) The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify:

   (i) The name/s of the related part(ies),
   (ii) nature and duration of transaction(s),
   (iii) maximum amount of transaction that can be entered into;
   (iv) The indicative base price / current contracted price and the formula for variation in the price if any and;
   (v) The material terms of the contract or arrangement including the value, if any;
   (vi) Such other conditions as the Audit Committee may deem fit.

   Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 Crore per transaction.

d) Audit Committee shall review, atleast on a half yearly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

f) In exceptional circumstances, where it is not feasible to seek prior approval of the Audit Committee, Board of Directors and / or shareholders, as the case may be, in respect of any Related Party Transaction, then it shall be ratified by the Audit Committee, Board of Directors and / or shareholders, as the case may be, within a period of three months of entering into Related Party Transaction.

   In case, the same is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

- **Approval of the Board of Directors of the Company**

  As per the provisions of Section 188 of Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis shall be placed before the Board for its approval on the recommendation of the Audit Committee.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

a) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;

b) Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.

c) Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

- **Approval of the Shareholders of the Company**

Any such Related Party Transactions that exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed there under shall also be placed for prior approval of shareholders at the general meeting.

- **Material Related Party Transaction**

All Material Related Party Transactions shall be placed for prior approval of shareholders through a Resolution. However, the Material Related Party Transactions entered into between the Company and its wholly owned subsidiaries, if any, shall not require prior approval of the shareholders.

REVIEW OF RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company shall be reviewed by the Audit committee as well as Board atleast once in every financial year and as many times as it may deem fit.

To review a Related Party Transaction, the Committee and the Board will be provided with all relevant material information of the Related Party Transaction viz:

a. The name of the Related Party and nature of relationship;

b. The nature, duration of the contract and particulars of the contract or arrangement;

c. The material terms of the contract or arrangement including the value, if any;

d. Any other information relevant or important for the Audit Committee/Board to take a decision on the proposed transaction.

***NOTE**:*
If a member of the Audit Committee/Board or any member of company is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company, he/she shall recuse himself and abstain from discussion and voting on the approval or ratification of such of the Related Party transaction. Further, such interested member shall also not be reckoned for the purpose of counting quorum of the meeting.

ASCERTAINING WHETHER RELATED PARTY TRANSACTIONS ARE IN THE ORDINARY COURSE OF BUSINESS

1. In order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:

a) whether the transaction is in line with the usual transactions, customs and practices undertaken by the company to conduct its business operations and activities;
b) whether it is permitted by the Memorandum and Articles of Association of the company; and
c) whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.

2. The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.

3. Whether the transaction value is within the reasonable range for similar types of other transactions, will also be an important consideration. An exceptionally large value transaction should invite closer scrutiny.

DISCLOSURE OF INTEREST OR CONCERN

1. All Related Party Transactions in which Directors are interested as defined in Section 184/188 of the Act shall be entered in with all the relevant particulars in register maintained in Form MBP 4 as prescribed in Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014.

2. Further, every member / director of Audit Committee or Board who is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company and transacted/approved at the meeting shall disclose in advance his/her interest / concern.

3. In accordance with provisions of Section 184(2) of the Act, if any director of a company is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

a. with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

b. with a firm or other entity in which, such director is a partner, owner or member, as the case may be;

Then, he/she shall disclose the nature of his/her concern or interest at the meeting of the Board in which such contract or arrangement is discussed and shall not participate in such meeting during the discussion of such contract or arrangement:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

***NOTE*:**
A contract or arrangement entered into by the company without disclosure under section 184 (2) of the Act or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

DISCLOSURE / REPORTING

The Company shall disclose this Policy on its website and provide the web link in the Annual Report.

Further, in accordance with Section 134 (3) (h) of the Companies Act, 2013 and Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by RBI, the company shall disclose in its Board's report, the complete particulars/details of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form.

SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

REVIEW AND AMENDMENTS

The Audit Committee, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary.

Further, this policy may be amended subject to the approval of Board of directors on recommendation of Audit Committee of the Company, from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Finova Capital Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Finova Capital Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. 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.

Key Audit matters	How our audit addressed the key audit matters
(a) Impairment of financial assets as at balance sheet date (expected credit losses)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events,	Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines.

Key Audit matters	**How our audit addressed the key audit matters**
current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: - Staging of loans i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories; - Estimation of behavioral life; - Determining macro-economic factors impacting credit quality of receivables; - Estimation of losses for loan products with no/ minimal historical defaults	Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. 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 higher stages. Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. Tested assumptions used by the Management in determining the overlay. Assessed disclosures included in the financial statements in respect of expected credit losses
(**b) Information Technology (IT) system controls**	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 material misstatement of ‘Other Information’ we are required to report the fact. We have nothing to report in this regard.

Management’s Responsibility 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the 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 , but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company as at and for the year ended 31 March 2021 included in the financial statements have been audited by the predecessor auditor, who have expressed unmodified opinion vide their report dated Jun1 1, 2021.

Our opinion on the financial statements is not modified in respect of above matter on the comparative financial information

Report on Other Legal and Regulatory Requirements

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

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

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

(e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(g) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private Company, Section 197 of the Act related to the managerial remuneration not applicable

(j) 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. Refer Note 28 (d) to the financial statements

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 28 (e) to the financial statements

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 28 (c) to the financial statements

iv. (a). The Management has represented that, to the best of it's knowledge and belief, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b). The Management has represented, that, to the best of it's knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as mentioned under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AIBBAD4115

Place: Gurugram
Date: 29 April, 2022

(Annexure A, referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Finova Capital Private Limited on the financial statements as of and for the year ended 31 March 2022

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its 'Property, Plant and Equipment' under which 'Property, Plant and Equipment are verified in a phased manner, over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, all the 'Property, Plant and Equipment' were verified during the previous year ended March 31, 2021 and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

(ii) (a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, during the year, the Company has not been sanctioned any working capital or working capital limits in excess of Rs. 500 lakhs, in aggregate from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions o.f clause 3(ii) (b) of the Order are not applicable.

(iii) In our opinion and to the best of our information and according to the information and explanations given to us, since the Company's principal business is to give loans, accordingly, the provisions of clause 3(iii)(a) - (e) of the Order are not applicable. The Company has not granted any loans or advances which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, guarantees and securities covered under Section 185 of the Act. The Company has not made any investments as referred in Section 186(1) of the Act and other requirements of Section 186 of the Act does not apply to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be 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) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable. During the year the operation of the Company does not give rise the liability of sales-tax, service tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, there are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender, government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily invested in liquid funds.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable.

(f) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable.

(x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year, the Company has made private placement of shares (fully and partially paid). In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and Section

62 of the Act and the Rules framed there under. Further, in our opinion, the funds so raised have been used for the purposes for which the funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) In our opinion and according to the information and explanations given to us, since no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, accordingly, the provisions of clause 3(xi)(b) of the Order are not applicable.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause3 (xv) of the order are not applicable.

(xvi) (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause3 (xvii) of the order are not applicable.

(xviii) There has been change in the statutory auditors pursuant to RBI Guidelines for appointment of auditors for NBFCs issued on 27 April 2021 and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company does not have any amount remaining unspent under section 135(5) of the Act. Accordingly provision of clause 3(xx)(a) of the order is not applicable.

(b) The Company does not have any amount remaining unspent which is required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly provision of clause 3(xx)(b) of the order is not applicable.

(xxi) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(xxi) of the Order are not applicable.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AIBBAD4115

Place: Gurugram
Date: 29 April, 2022

Annexure B referred to in paragraph 2(h) under the heading 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of Finova Capital Private Limited, on the financial statements for the year ended 31 March 2022

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Finova Capital Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to 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 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 unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, 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.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AIBBAD4115

Place: Gurugram
Date: 29 April, 2022

FINOVA CAPITAL PRIVATE LIMITED
CIN- U65993RJ2015PTC048340
BALANCE SHEET AS AT 31 MARCH, 2022

		Note No.	As at 31 March , 2022 Rs. /Lakh	As at 31 March , 2021 Rs. /Lakh
ASSETS				
1	**Financial assets**			
(a)	Cash and cash equivalents	2	6,558.43	730.32
(b)	Bank balance other than cash and cash equivalents	3	35,158.03	27,048.58
(c)	Loans	4	93,656.55	57,758.00
(d)	Investments	5	21,663.84	10,563.07
(e)	Other financial assets	6	149.16	924.68
	Subtotal - financial assets (A)		**157,186.01**	**97,024.65**
2	**Non- financial assets**			
(a)	Current tax assets		379.03	159.97
(b)	Deferred tax assets (net)	27	586.52	416.86
(c)	Property, plant and equipment	7(a)	489.22	428.77
(d)	Right of use assets	7(b)	242.79	278.79
(e)	Intangible assets under development	7(c)	30.46	21.63
(f)	Capital-work-in progress	7(d)	103.76	-
(g)	Other intangible assets	7(e)	83.89	70.52
(h)	Other non- financial assets	8	92.88	30.91
	Subtotal - non-financial assets (B)		**2,008.55**	**1,407.45**
	Total - assets (A+B)		**159,194.56**	**98,432.10**
LIABILITIES AND EQUITY				
1	**Financial liabilities**			
(a)	Payables			
	1) Trade payables	9		
	- total outstanding dues of micro enterprises and small enterprises		5.19	1.77
	- total outstanding dues of creditors other than micro enterprises and small enterprises		1,952.02	1,055.34
	2) Other payables			
	- total outstanding dues of micro enterprises and small enterprises		-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises		157.94	215.04
(b)	Debt securities	10	6,465.33	8,451.29
(c)	Borrowings (other than debt securities)	11	57,962.43	43,908.02
(d)	Lease liabilities	7(f)	285.20	305.39
	Subtotal - financial liabilities (C)		**66,828.11**	**53,936.85**
2	**Non-financial liabilities**			
(a)	Provisions	12	103.39	61.18
(b)	Other non-financial liabilities	13	416.52	244.06
	Subtotal - non-financial liabilities (D)		**519.91**	**305.24**
3	**Equity**			
(a)	Equity share capital	14	13,038.69	10,161.21
(b)	Other equity	15	78,807.85	34,028.80
	Subtotal - equity (E)		**91,846.54**	**44,190.01**
	Total - liabilities and equity (C+D+E)		**159,194.56**	**98,432.10**

The accompanying notes are forming part of financial statements
In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No. 087701
Place: Gurugram
Date: 29 April, 2022

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

Sd/-
Mohit Sahney
MD & CEO
DIN: 07280918
Place: Jaipur
Date: 29 April, 2022

Sd/-
Sunita Sahney
Whole Time Director
DIN: 02395354
Place: Jaipur
Date: 29 April, 2022

Sd/-
Ravi Sharma
Chief Financial Officer

Place: Jaipur
Date: 29 April, 2022

Sd/-
Jaikishan Premani
Company Secretary
M. No: A42043
Place: Jaipur
Date: 29 April, 2022

FINOVA CAPITAL PRIVATE LIMITED
CIN- U65993RJ2015PTC048340
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
		Rs. /Lakh	**Rs. /Lakh**
Revenue from operations			
(a) Interest income	16	17,585.06	11,684.93
(b) Fees and commission income	17	440.85	340.22
(c) Net gain on fair value changes	18	303.16	270.98
Total Revenue from operations (A)		**18,329.07**	**12,296.13**
Other income (B)	19	1.45	5.44
Total income (A+B)		**18,330.52**	**12,301.57**
Expenses			
(a) Finance costs	20	5,883.18	4,756.58
(b) Impairment on financial instruments	21	1,567.18	782.37
(c) Employee benefits expense	22	5,824.99	3,803.52
(d) Depreciation, amortization and impairment	23	222.86	172.94
(e) Other expenses	24	969.85	578.90
Total expenses (C)		**14,468.06**	**10,094.31**
Profit before tax (A+B-C)		**3,862.46**	**2,207.26**
Tax expense:			
(1) Current tax	26	1,132.58	547.29
(2) Deferred tax	27	(170.71)	9.82
		961.87	**557.11**
Profit for the year		**2,900.59**	**1,650.15**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of net defined benefit plans	29	4.08	7.86
(b) Income tax relating to items that will not be reclassified to profit and loss	27	(1.05)	(2.01)
Other comprehensive income (a-b)		**3.03**	**5.85**
Total comprehensive income for the year		**2,903.62**	**1,656.00**
Earnings per equity share	25		
Basic (Rs.)		**19.69**	**13.09**
Diluted (Rs.)		**19.13**	**12.77**
Nominal value per share (Rs.)		**10.00**	**10.00**

The accompanying notes are forming part of financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No. 087701
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FINOVA CAPITAL PRIVATE LIMITED
CIN- U65993RJ2015PTC048340
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity Share Capital

Particulars	Rs./Lakh
As at 1 April, 2020	6,649.49
Issue of share capital	3,511.71
As at 31 March, 2021	**10,161.21**
Issue of share capital	2,877.48
As at 31 March, 2022	**13,038.69**

B. Other Equity

	Reserves and surplus				Total
	Statutory reserves as per section 45 (IC) of the RBI Act. 1934	Share based payment reserve	Securities Premium	Retained earnings	
	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
As at 1 April, 2020	**465.87**	**30.53**	**8,125.58**	**1,281.02**	**9,903.00**
Profit for the year (i)	-	-	-	1,650.15	**1,650.15**
Other comprehensive income for the year (ii)	-	-	-	5.85	**5.85**
Total Comprehensive Income for the year (i+ii)	-	-	-	**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)**
Share premium on issue of share capital	-	-	22,539.90	-	**22,539.90**
Premium utilised during the year for issue of shares	-	-	(81.76)	-	**(81.76)**
Share based payments	-	11.66	-	-	**11.66**
As at 31 March, 2021	**797.07**	**42.19**	**30,583.72**	**2,605.82**	**34,028.80**
Profit for the year (iii)	-	-	-	2,900.59	**2,900.59**
Other comprehensive income for the year (iv)	-	-	-	3.03	**3.03**
Total Comprehensive Income for the year (iii+iv)	-	-	-	**2,903.62**	**2,903.62**
Addition during the year	580.73	-	-	-	**580.73**
Transfer to reserve from retained earnings during the year	-	-	-	(580.73)	**(580.73)**
Share premium on issue of share capital	-	-	42,124.91	-	**42,124.91**
Share premium utilised for issur of shares	-	-	(354.73)	-	**(354.73)**
Share based payments	-	105.25	-	-	**105.25**
As at 31 March, 2022	**1,377.80**	**147.44**	**72,353.90**	**4,928.71**	**78,807.85**

Note:
i. During the year there has been no change in equity share capital and other equity on account of prior period errors

The accompanying notes are forming part of financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

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

Sd/-
Vinesh Jain
Partner
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Company Secretary
M. No: A42043
Place: Jaipur
Date: 29 April, 2022

FINOVA CAPITAL PRIVATE LIMITED
CIN- U65993RJ2015PTC048340
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs./Lakhs	Rs./Lakhs
A Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	**3,862.46**	**2,207.26**
Adjustment to reconcile profit before tax to net cash flow:		
Depreciation and amortisation of Property, plant and equipment, right of use assets and other intangible asset	222.86	172.94
Net gain on sale of current investments	(331.41)	(219.22)
Amortization of ancillary cost	293.79	-
(Reversal)/Provision for Expected Credit Loss (ECL)	338.78	(121.88)
Loan assets written-off	1,228.40	904.25
Interest on income tax refund	-	(3.80)
Employee stock option expense	105.25	11.66
Loss on sale of property, plant and equipment	1.65	0.46
Fair Value change of Investments	28.25	(51.76)
Operating profit before working capital changes	**5,750.03**	**2,899.89**
Changes in working capital		
(Increase)/decrease in financial and other assets	(44,799.66)	(44,136.00)
(Increase)/decrease in non financial assets	(61.97)	(76.96)
Increase/(decrease) in financial and other liabilities	822.81	906.13
Increase/(decrease) in non financial liabilities	218.75	115.79
Total of changes in working capital	**(43,820.07)**	**(43,191.04)**
Direct taxes paid	(1,351.64)	(562.20)
Net cash flow (used in) operating activities (A)	**(39,421.68)**	**(40,853.35)**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(374.92)	(210.45)
Purchase of Investments		
Mutual fund	(46,913.03)	(44,194.21)
Sale of Investments		
Mutual fund	36,115.42	34,610.03
Net cash flow from / (used in) investing activities (B)	**(11,172.53)**	**(9,794.63)**
C Cash flow from financing activities:		
Issue of equity shares (including share premium)	45,002.39	26,051.62
Share issue expenses	(354.73)	(81.76)
Proceeds from borrowings		
Debt securities	-	8,605.45
Bank Borrowings (bank borrowings other than debt securities)	40,100.00	24,860.12
Repayment of borrowings		
Debt securities	(1,985.96)	(163.78)
Bank Borrowings (bank borrowings other than debt securities)	(26,339.38)	(12,135.89)
Net Cash flow from financing activities (C)	**56,422.32**	**47,135.76**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,828.11**	**(3,512.22)**
Cash and cash equivalents as at the beginning of the year	730.32	4,242.54
Cash and cash equivalents at the end of the year	**6,558.43**	**730.32**

FINOVA CAPITAL PRIVATE LIMITED
CIN- U65993RJ2015PTC048340
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Rs./Lakhs	**Rs./Lakhs**
Cash on hand	63.11	51.11
Balance with banks		
In current accounts	5,995.32	679.21
In deposit account	500.00	-
Total cash and cash equivalents	**6,558.43**	**730.32**
Operational Cash Flow from Interest		
Interest Received	13,716.27	9,258.99
Interest Paid	4,829.96	4,231.53

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

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

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

Sd/-
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Company Secretary
M. No: A42043
Place: Jaipur
Date: 29 April, 2022

1 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 as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on March 02, 2016 vide registration No. RBI B-10.00236.

The registered office of the Company is located at 702, Seventh Floor , Unique Aspire ,Plot No. 13-14 Cosmo Colony, Amrapali Marg , Vaishali Nagar , Jaipur 302021.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 29 April, 2022.

1A Basis of preparation of Financial Statements

1A.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All amount disclosed in the financial statements and notes have been rounded off to the nearest Rupees Lakhs as per the requirements of Schedule III, unless otherwise stated.

1A.2 Basis of preparation and presentation

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 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 Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP').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 Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

1A.3 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 follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

For information on the measurement of fair value and other policies refer note 1B.1.4 and 1B.15.4

1A.4 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 35.

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

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

1B Summary of significant accounting policies

1B.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:

1B.1.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1B.1.2 Impairment of financial assets

The measurement of impairment losses across all categories, except asset valued at fair value through profit and loss account (FVTPL), of financial assets 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 internal model, which assigns Probability of defaults ('PDs') to the individual grades
- 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 ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of defaults ('PDs'), Exposure at Default ('EADs') and Loss given Defaults ('LGDs')

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

1B.1.3 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.

1B.1.4 Fair value measurement of financial instruments

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

1B.1.5 Effective Interest Rate ('EIR') method

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

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

1B.2 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1B.3 Revenue recognition

1B.3.1 Interest and similar income

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) 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.

1B.3.2 Income other than interest

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

i. 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.

ii. 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.

1B.4 Property, plant and equipment

Property, plant and equipment 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.

1B.5 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.

1B.6 Depreciation and amortization

Depreciation

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.

1B.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.

1B.8 Leases

1B.8.1 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

1B.8.1.1 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.

1B.8.2 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

1B.9 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.

1B.10 Contingent liabilities and assets

1B.10.1 Contingent liabilities

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.

1B.10.2 Contingent assets

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1B.11 Employee benefits

1B.11.1 Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. 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.

1B.11.2 Defined benefit plan

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.

IB.11.3 Compensated absences

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.

1B.12 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1B.13 Taxes

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax

Current 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 tax

Deferred 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.

1B.14 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

1B.15 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.

1B.15.1 Financial Assets

1B.15.1.1 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 and advances, trade receivables and other financial instruments at amortised cost.

1B.15.1.2 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)

1B.15.1.3 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.

1B.15.1.4 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.

IB.15.1.5 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.

IB.15.1.6 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

IB.15.2 Financial Liabilities

IB.15.2.1 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.

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.

IB.15.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

IB.15.2.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

IB.15.2.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

IB.15.3 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.

IB.15.4 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.

IB.15.5 Impairment of financial assets

IB.15.5.1 Overview of the impairment principles ('ECL')

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 notes.

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.

IB.15.5.2 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%.

IB.15.5.3 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 account becomes overdue for more than 90 days.

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower

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.

IB.15.5.4 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.

IB.15.5.5 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.

IB.16 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.

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.

IB.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

1C Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

	As at 31 March , 2022 Rs./Lakh	As at 31 March , 2021 Rs./Lakh
2 CASH AND CASH EQUIVALENTS		
a. Cash in hand	63.11	51.11
b. Balance with banks		
- In current accounts	5,995.32	679.21
- In deposits where original maturity is less than 3 month	500.00	-
	6,495.32	**679.21**
	6,558.43	**730.32**
3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
a. In deposit where original maturity is more than 12 months (Refer Note i below)	30,517.92	8,613.87
b. In deposit where original maturity is more than 3 months less than 12 months (Refer Note ii below)	4,640.11	18,434.71
	35,158.03	**27,048.58**
Notes		
i. In deposit where original maturity is more than 12 months include deposit under lien mark aggregating to	1,255.38	5,201.09
ii. In deposit where original maturity is more than 3 months less than 12 months include deposit under lien mark aggregating to	256.53	3346.12
4 LOANS (At amortised cost)		
Term loans - Gross	94,829.41	58,592.07
Less: Impairment loss allowance	1,172.86	834.07
	93,656.55	**57,758.00**
Summary of term loans based upon security		
Secured by tangible assets (Refer note 'a' below)	94,582.35	58,577.04
Unsecured	247.06	15.03
Term loans - Gross	**94,829.41**	**58,592.07**
Less: Impairment loss allowance	1,172.86	834.07
Term loans - Net	**93,656.55**	**57,758.00**
Summary of term loans based on geographical location		
Loans in India		
Public Sector	-	-
Others	94,829.41	58,592.07
	94,829.41	**58,592.07**
Less: Impairment loss allowance	1,172.86	834.07
	93,656.55	**57,758.00**
Loans outside India	-	-
	93,656.55	**57,758.00**
Loan sanctioned but undisbursed amount	1,272.33	816.20
Loans include unsecured loans to employees	10.06	15.03
Loans include unsecured loans to micro and small medium enterprises	237.00	-
Management overlay provision on account of COVID 19	360.00	400.44
Loan to promoters, directors, Key managerial personnels and other related parties	-	-

Notes

a. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property.
b. The detailed information of impairment assessment and measurement approach given in Summary of significant accounting policies - note no. IB.15.5
c. The Company has defined risk assessment model in note no. 33.

Expected Credit Loss ('ECL')

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

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
Gross Carrying amount as at 1 April, 2021	56,358.27	1,822.02	396.75	58,577.04
New Assets originated or increase in existing assets	48,302.86	-	-	48,302.86
Assets closed or repaid	(10,508.13)	(51.52)	(212.32)	(10,771.97)
Transfer from Stage 1	(3,845.25)	1,755.22	2,090.03	-
Transfer from Stage 2	785.95	(1,614.58)	828.62	-
Transfer from Stage 3	76.42	21.20	(97.62)	-
Write offs	-	-	(1,288.59)	(1,288.59)
Gross Carrying amount as at 31 March 2022	**91,170.13**	**1,932.34**	**1,716.88**	**94,819.35**

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
Gross Carrying amount as at 1 April, 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)
Transfer from Stage 1	(2,191.15)	1,475.94	715.21	-
Transfer from Stage 2	240.09	(614.58)	374.49	-
Transfer from Stage 3	-	-	-	-
Write offs	-	-	(821.81)	(821.81)
Gross Carrying amount as at 31 March 2021	**56,358.27**	**1,822.02**	**396.75**	**58,577.04**

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
ECL Allowance as at 1 April, 2021	**345.21**	**328.85**	**160.01**	**834.07**
New Assets originated or increase in existing assets	544.81	-	-	544.81
Assets closed or repaid	(129.23)	-	(60.10)	(189.34)
Transfer from Stage 1	(370.42)	-	370.42	-
Transfer from Stage 2	17.88	(271.10)	253.22	-
Transfer from Stage 3	(0.28)	-	0.28	-
Write offs	-	-	(16.69)	(16.69)
ECL Allowance as at 31 March 2022	**407.97**	**57.75**	**707.14**	**1,172.86**

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
ECL Allowance as at 1 April, 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)
Transfer from Stage 1	(435.44)	279.67	155.77	-
Transfer from Stage 2	7.95	(29.25)	21.30	-
Transfer from Stage 3	-	-	-	-
Write offs	-	-	(85.51)	(85.51)
ECL Allowance as at 31 March 2021	**345.21**	**328.85**	**160.01**	**834.07**

	As at 31 March , 2022	As at 31 March , 2021
	Rs. /Lakhs	Rs. /Lakhs
5 INVESTMENTS		
At fair value through profit and loss		
Investment in mutual funds (Refer Note i below)	21,663.84	10,563.07
	21,663.84	**10,563.07**
Investment outside India	-	-
Investments in India	21,663.84	10,563.07
	21,663.84	**10,563.07**
Note: -		
i. Investment in mutual fund under lien towards from overdrat facility from banks	**1,242.08**	**1,203.84**
6 OTHER FINANCIAL ASSETS		
a. Security deposit	26.56	18.00
b. Fixed deposit with financial institution (Refer Note i below)	-	844.72
c. Other receivables	122.60	61.96
	149.16	**924.68**
Note :		
i. Fixed deposit under lien for borrowings	-	321.09

7 (a) PROPERTY PLANT AND EQUIPMENT

	Lease hold Improvements	Computer and printers	Office equipments	Electrical installations	Vehicles	Furniture and fixtures	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
At cost							
As at 1 April, 2020	**146.80**	**86.49**	**54.82**	**18.75**	**80.53**	**136.64**	**524.03**
Additions	57.18	39.68	13.21	-	-	28.96	**139.03**
Disposals	0.19	0.21	-	-	-	0.12	**0.52**
As at 31 March, 2021	**203.79**	**125.96**	**68.03**	**18.75**	**80.53**	**165.48**	**662.54**
Additions	-	95.42	12.04	-	64.09	31.97	**203.52**
Disposals	-	7.06	0.35	-	-	-	**7.41**
As at 31 March, 2022	**203.79**	**214.32**	**79.72**	**18.75**	**144.62**	**197.45**	**858.65**
Depreciation							
As at 1 April, 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	-	0.04	-	-	-	0.02	**0.06**
As at 31 March, 2021	**75.65**	**63.23**	**26.95**	**5.48**	**24.73**	**37.73**	**233.77**
Charge for the year	59.10	40.20	13.01	1.75	10.80	16.80	**141.66**
Disposals	-	5.84	0.17	-	-	-	**6.01**
As at 31 March, 2022	**134.74**	**97.59**	**39.78**	**7.23**	**35.53**	**54.53**	**369.42**
Net book value							
As at 31 March, 2021	**128.14**	**62.73**	**41.08**	**13.27**	**55.80**	**127.75**	**428.77**
As at 31 March, 2022	**69.05**	**116.73**	**39.94**	**11.52**	**109.09**	**142.92**	**489.22**

Note:

i. Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 7(b) - Right of use assets.
ii. During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.
iii. There is no proceeding initiated against the company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

7 (b) RIGHT OF USE ASSETS

	Amount Rs. /Lakhs
At cost	
As at 1 April, 2020	326.35
Additions	52.82
As at 31 March, 2021	**379.17**
Additions	21.67
As at 31 March, 2022	**400.84**
Depreciation	
As at 1 April, 2020	45.03
Charge for the year	55.35
As at 31 March, 2021	**100.38**
Charge for the year	57.67
As at 31 March, 2022	**158.05**
Net book value	
As at 31 March, 2021	**278.79**
As at 31 March, 2022	**242.79**

7 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software Rs. /Lakhs	Total Rs. /Lakhs
As at 1 April, 2020	21.69	21.69
Additions	21.63	21.63
Asset capitalized during the year	(21.69)	(21.69)
As at 31 March, 2021	**21.63**	**21.63**
Additions	30.46	30.46
Asset capitalized during the year	(21.63)	(21.63)
As at 31 March, 2022	**30.46**	**30.46**

Notes

i. Intangible asset under development ageing schedule as at 31 March, 2022: - **Rs./Lakhs**

Particular	Amount in Intangible assets under development for a period				
	Less than 1 Years	Greater than 1 year but less than 2 Years	Greater than 2 year but less than 3 Years	More than 3 years	Total
Project in Progress	30.46	-	-	-	**30.46**

ii. Intangible asset under development does not include any project which is temporarily shut down

7 (d) CAPITAL-WORK-IN PROGRESS

	Lease Hold Improvements Rs. /Lakhs	Total Rs. /Lakhs
As at 31 March, 2021	-	-
As at 31 March, 2022	103.76	103.76

Notes:

i. Capital Work in progress ageing schedule as at 31 March, 2022: - **Rs./Lakhs**

Particular	Amount in Capital Work in progress for a period				
	Less than 1 Years	Greater than 1 year but less than 2 Years	Greater than 2 year but less than 3 Years	More than 3 years	Total
Project in progress - Rennovation in office building	103.76	-	-	-	**103.76**

ii. Capital work in progress does not include any project which is temporarily shut down

7 (e) OTHER INTANGIBLE ASSETS

	Software Rs. /Lakhs	Copyright Rs. /Lakhs	Trademark Rs. /Lakhs	Total Rs. /Lakhs
As at 1 April, 2020	4.35	0.23	0.15	4.73
Additions	71.48	-	-	71.48
Disposals	-	-	-	-
As at 31 March, 2021	**75.83**	**0.23**	**0.15**	**76.21**
Additions	37.58	-	-	37.58
Disposals	0.68	-	-	0.68
As at 31 March, 2022	**112.73**	**0.23**	**0.15**	**113.11**
Amortization				
As at 1 April, 2020	2.39	0.13	0.08	2.60
Charge for the year	3.01	0.04	0.03	3.08
As at 31 March, 2021	**5.40**	**0.17**	**0.11**	5.68
Charge for the year	23.46	0.04	0.03	23.53
As at 31 March, 2022	**28.86**	**0.21**	**0.14**	**29.21**
Net book value				
As at 31 March, 2021	**70.42**	**0.06**	**0.04**	**70.52**
As at 31 March, 2022	**83.86**	**0.02**	**0.01**	**83.89**

Note

i. During the current financial year and in the previous financial year there is no revaluation of Intangible assets.

7 (f) Leases

The change in the carrying value of right to use assets are as follows

Particulars	As at 31 March, 2022	As at 31 March , 2021
	Rs./ lakhs	Rs./ lakhs
Opening balance of right to use assets	278.79	281.32
Addition during the year	21.67	52.82
Depreciation/Amortization during the year	(57.67)	(55.35)
Closing balance of right to use assets	**242.79**	**278.79**

Movement in lease liability are as follows:

Opening Balance of Lease Liability	305.39	294.56
Addition During the Period	18.86	48.03
Interest during the period	38.97	34.91
Payment of lease liability	(78.01)	(72.11)
Closing balance of lease liability	**285.20**	**305.39**

Amount recognised in profit and loss account are as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Rs./ lakhs	Rs./ lakhs
Finance Cost	38.97	34.91
Depreciation Cost	57.67	55.35
Total	**96.64**	**90.26**

Particulars	As at 31 March, 2022	As at 31 March , 2021
	Rs./ lakhs	Rs./ lakhs
Total cash outflow for leases	78.01	72.11
Total	**78.01**	**72.11**

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

Particulars	As at 31 March, 2022	As at 31 March , 2021
	Rs./ lakhs	Rs./ lakhs
Tenure		
Less than 1 year	39.49	35.64
1-3 Year	91.96	70.93
3-5 Year	85.52	91.40
More than 5 Year	68.23	107.43
Total	**285.20**	**305.39**

The company has paid following rent on amount of short term leases where the lease term was less than 12 months

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs./ lakhs	Rs./ lakhs
Short Term lease	157.89	98.64
Total	**157.89**	**98.64**

		As at 31 March, 2022 Rs. /Lakh	As at 31 March, 2021 Rs. /Lakh
8	**OTHER NON- FINANCIAL ASSETS**		
a.	Capital advance	67.38	-
b.	Prepaid expenses	25.50	30.91
		92.88	**30.91**
9	**PAYABLES**		
a.	**Trade payable**		
	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note i below)	5.19	1.77
	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,952.02	1,055.34
		1,957.21	**1,057.11**
b.	**Other payable**		
	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note i below)	-	-
	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	157.94	215.04
		157.94	**215.04**
	Total	**2,115.15**	**1,272.15**

Notes:

i.	**Trade payables and other payables ageing schedule as at 31 March, 2022: -**		
a.	Total outstanding dues of Micro Enterprises and Small Enterprises		
	- undisputed	5.19	1.77
	- disputed	-	-
		5.19	**1.77**
b.	Aging of the trade payables - dues of Micro Enterprises and Small Enterprises		
	Less than 1 year	5.19	1.77
	1-2 years	-	-
	2-3 years	-	-
	more than 3 years	-	-
		5.19	**1.77**
ii.	**Total outstanding dues of Trade payables and other payables other than Micro Enterprises and Small Enterprises**		
a.	Total outstanding dues of Trade payables and other payables other than Micro Enterprises and Small Enterprises		
	- undisputed	2,109.96	1,270.38
	- disputed	-	-
		2,109.96	**1,270.38**
b.	Aging of the trade payables - Trade payables and other payables other than Micro Enterprises and Small Enterprises		
	Less than 1 year	2,109.96	1,270.38
	1-2 years	-	-
	2-3 years	-	-
	more than 3 years	-	-
		2,109.96	**1,270.38**
iii.	**Details of dues of micro and small enterprises as defined under the MSMED Act, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	5.19	1.77
	Interest due on above	-	-
		5.19	**1.77**

	As at 31 March, 2022 Rs. /Lakh	As at 31 March, 2021 Rs. /Lakh
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

The information have been disclosed based on the information available with the Company, the same have been relied upon by the auditor.

10 DEBT SECURITIES
(At amortised cost)

	As at 31 March, 2022 Rs. /Lakh	As at 31 March, 2021 Rs. /Lakh
Secured		
Non Convertible Debentures (Refer Note iii below)	6,465.33	8,451.29
Unsecured	-	-
	6,465.33	**8,451.29**
Debt securities in India	6,465.33	8,451.29
Debt securities outside India	-	-
	6,465.33	**8,451.29**

Notes:

i. Non convertible debenture are redeemable at par.

ii. Details of Redeemable Non-Convertible Debentures (Secured)

S.No	ISIN No	Date of Allotment	Date of Redumption	Total number of debentures	Rate of Interest	Face Value Rs. /Lakh	As at 31 March, 2022 Rs. /Lakh	As at 31 March, 2021 Rs. /Lakh
a.	INE0DTO07061	24.12.2020	24.02.2022	1,000	12.00%	1	-	1,045.86
b.	INE0DTO07020	18.09.2020	21.04.2023	100	10.86%	10	1,003.16	1,004.18
c.	INE0DTO07079	24.12.2020	23.06.2023	1,000	12.10%	1	1,147.07	1,045.86
d.	INE0DTO07012	18.08.2020	18.08.2023	150	10.86%	10	1,060.40	1,579.78
e.	INE0DTO07046	29.10.2020	29.10.2023	40	12.40%	10	396.66	394.45
f.	INE0DTO07038	28.10.2020	28.10.2024	2,500	11.50%	1	1,710.97	2,335.30
g.	INE0DTO07053	24.12.2020	24.12.2024	1,000	12.15%	1	1,147.07	1,045.86
	Total						**6,465.33**	**7,405.43**

iii. All the secured, listed, Non- Convertible Debentures issued by the Company are secured by way of exclusive hypothecation of specified loan assets as per the terms of Offer Documents. Further, the Company has maintained asset cover as stated in the offer document which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

	As at 31 March, 2022	As at 31 March, 2021
	Rs. /Lakh	Rs. /Lakh
11 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost and Secured		
Term loans		
a. From banks	44,721.46	24,132.02
b. From others	13,240.97	15,884.92
	57,962.43	**40,016.94**
Others		
a. Overdraft credit from Bank	-	3,891.08
	-	**3,891.08**
	57,962.43	**43,908.02**
Borrowings in India	57,962.43	43,908.02
Borrowings outside India	-	-
	57,962.43	**43,908.02**

Notes

a. Secured term loans from banks amounting to Rs. 44,721.46 lakhs carry rate of of interest in the range of 8.00% to 13.50% p.a. The loans are having tenure of 2.80 to 7 years from the date of disbursement and are repayable in monthly, quarterly and half yearly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company. Quarterly returns or statement of current filed by the company with the bank are in agreement with books of accounts.

b. Secured term loans from financial institutions amount to Rs.13,240.97 lakhs carry rate of interest in the range of 8.95% to 12.80% p.a. The loans are having tenure of 3.0 year to 6.0 years from the date of disbursement and are repayable in monthly, quarterly and half yearly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company. Quarterly returns or statement of current filed by the company with the financial institutions are in agreement with books of accounts.

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

d. The company has not declared as wilfuldefauter by any of banks, financial institution or any other lender

e. Term of repayment of long term borrowing outstanding as at 31 March, 2022

Particulars	Interest rate Range	No. of Installments	As at 31 March, 2022	No. of Installments	As at 31 March, 2021
			Rs. /Lakh		Rs. /Lakh
Secured monthly repayment					
Less than 1 Year	Upto 10%	215	8,236.68	49	1,981.63
	More than 10% and upto 12%	262	4,866.01	610	7,223.92
	More than 12% and upto 14%	92	1,254.85	107	1,883.35
	More than 14%	-	-	1	5.58
Due 1 to 3 years	Upto 10%	406	15,338.67	95	3,484.40
	More than 10% and upto 12%	364	7,152.44	1097	12,675.39
	More than 12% and upto 14%	134	1,631.40	130	2,547.39
Due 4 to 5 years	Upto 10%	267	8,743.01	54	1,922.09
	More than 10% and upto 12%	133	2,398.94	472	5,103.53
	More than 12% and upto 14%	42	426.62	14	323.57
More than 5 years	Upto 10%	12	348.47	-	-
	More than 10% and upto 12%	35	527.62	25	271.20
Secured quarterly repayment			-		-
Less than 1 Year	Upto 10%	3	633.04	-	-
Less than 1 Year	More than 10% and upto 12%	8	403.72	8	355.67
	More than 12% and upto 14%	3	249.79	4	335.70
Due 1 to 3 years	More than 10% and upto 12%	16	3,219.50	13	533.03
	More than 12% and upto 14%	9	445.40	3	249.03
Due 4 to 5 years	More than 10% and upto 12%	7	1,085.09	7	249.48
	More than 12% and upto 14%	7	348.75	-	-
Secured half yearly repayment					
Less than 1 Year	More than 12% and upto 14%	2	220.18	2	223.84
Due 1 to 3 years	More than 12% and upto 14%	4	432.25	4	431.71
Due 4 to 5 years	More than 12% and upto 14%	-	-	2	216.43
Total		**2,021**	**57,962.43**	**2,697**	**40,016.94**

f. Overdraft borrowings from the bank amounting to Rs. 3,891.08 lakhs as at 31 March, 2021 were secured by mutual fund placed by the company, are repayable on demand and carry an interest rate of 8.45% p.a.

g. The charges which yet to be registered with Registrar of Companies (ROC) as at 31 March, 2022 are as follows:

Brief description of charge	Location of ROC	Due date for registration	Reason for delay in registration
Not applicable*			

* The HDFC Bank has sanctioned term loan of Rs. 50 crore and the Company has availed Rs. 20 crore. The Bank and the Company is in process to execute Deed of Hypothecation and Term loan for the aforementioned.

h. Company has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of section letters and there is no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

	As at 31 March, 2022 Rs. /Lakhs	As at 31 March, 2021 Rs. /Lakhs
12 PROVISIONS		
Provision for employee benefits (Refer Note 29)		
a. Provision for gratuity	103.39	61.18
	103.39	**61.18**
13 OTHER NON-FINANCIAL LIABILITIES		
a. Statutory dues payable	211.91	138.92
b. Other non financial liabilities	204.61	105.14
	416.52	**244.06**

		As at 31 March , 2022 Rs. /Lakhs	As at 31 March, 2021 Rs. /Lakhs
14	**EQUITY SHARE CAPITAL**		
	Authorized share capital		
	6,000,000 (31 March, 2021: 6,000,000) Equity Shares of Rs. 10/- each	600.00	600.00
	13,500,000 ((31 March, 2021: 10,500,000) 0.0001% Compulsory Convertible Cumulative Preference Shares ("CCCPS") of Rs. 100/- each	13,500.00	10,500.00
		14,100.00	**11,100.00**
	Issued , Subscribed , Paid up capital & Partly Paid up capital		
	Equity Share Capital		
	5,081,360 (31 March, 2021: 5,016,060) Equity Shares of Rs. 10/- each fully paid up	508.14	501.61
	Sub Total (A)	**508.14**	**501.61**
	Compulsory Convertible Cumulative Preference Shares		
	Fully paid up		
	Series A Compulsory Convertible Cumulative Preference Share Capital		
	3,330,425 (31 March, 2021: 3,330,425) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	3,330.42	3,330.42
	Series B Compulsory Convertible Cumulative Preference Share Capital		
	2,817,399 (31 March, 2021: 28,17,399) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	2,817.40	2,817.40
	Series C Compulsory Convertible Cumulative Preference Share Capital		
	3,500,212 (31 March, 2021: 3,500,212) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	3,500.21	3,500.21
	Series A-1 Compulsory Convertible Cumulative Preference Share Capital		
	8,000 (31 March, 2021: 8,000) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	8.00	8.00
	Series D Compulsory Convertible Cumulative Preference Share Capital		
	1,815,726 (31 March, 2021: Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	1,815.73	-
	928,952 (31 March, 2021: Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	928.95	-
	78,845 (31 March, 2021: Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	78.85	-
	45,028 (31 March, 2021: Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each	45.02	-
	Partly Called-Up and Paid up Capital		
	Series A-1 Compulsory Convertible Cumulative Preference Share Capital		
	20,000 (31 March, 2021: 20,000;) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.20	0.20
	Series A-2 Compulsory Convertible Cumulative Preference Share Capital		
	18,000 (31 March, 2021: 18,000) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.18	0.18
	Series C-1 Compulsory Convertible Cumulative Preference Share Capital		
	42,000 (31 March, 2021: 42,000) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.42	0.42
	Series C Compulsory Convertible Cumulative Preference Share Capital		
	138,516 (31 March, 2021: 138,516) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	1.39
	Series B Compulsory Convertible Cumulative Preference Share Capital		
	138,516 (31 March, 2021: 1,38,516) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	1.39
	Series C-2 Compulsory Convertible Cumulative Preference Share Capital		
	239,108 (31 March, 2021: Nil) 0.0001% Compulsory Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	2.39	-
	Sub Total (B)	**12,530.55**	**9,659.60**
	Total (A+B)	**13,038.69**	**10,161.21**

14.1 Terms/right attached to shares

(a) Equity Shares

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.

During the year ended on March 31, 2022. The company has issued 65,300 equity shares of Rs. 10/- each fully paid-up. 65,200 equity shares were allotted to the Norwest Capital, LLC and 100 equity shares were allotted to MAJ Invest Financial Inclusion Fund III K/S. (In the previous 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).

(b) Preference Shares

The company issued 3,330,425 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.

The company issued 2,817,399 Series B CCCPS and 8,000 Series A-1 CCCPS of Rs. 100/- each fully paid up respectively, 20,000 Series A-1 CCCPS of Rs. 100/- each Rs-1 Paid up and 138,516 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.

During the year ended March 31, 2021, the company has issued 3,500,212 Series C CCCPS of Rs. 100/- each fully paid up and 138,516 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.

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.

Further during the year ended March 31, 2022, the company has issued 2,39,108 Series C-2 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 March 19, 2022.

Furthermore, during the year ended March 31, 2022, the company has issued 2,868,551 Series D CCCPS of Rs. 100/- fully 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 March 24, 2022.

14.2 Reconciliation of share capital

Reconciliation of number of Equity Shares outstanding is set out below: **Rs./Lakh**

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity Share at the beginning of year	5,016,060	501.61	5,000,020	500.00
Equity Shares issued during the year				
Share issued during the year of Rs. 10 each	65,300	6.53	10	0.00
Share issued under Employee stock option	-	-	16,030	1.60
Equity Share at the end of year	**5,081,360**	**508.14**	**5,016,060**	**501.61**

Reconciliation of number of Preference Shares outstanding is set out below: **Rs./Lakh**

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Preference Share at the beginning of year	10,013,068	9,659.52	6,314,340	6,149.49
Preference Shares issued during the year				
- fully paid up	2,868,551	2,868.56	3,508,212	3,508.13
- partly paid up @ Rs. 1 per share	239,108	2.39	190,516	1.91
Preference Share at the end of year	**13,120,727**	**12,530.47**	**10,013,068**	**9,659.52**

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

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Equity share capital				
Mohit Sahney	2,600,000	51%	2,600,000	52%
Prashant Gupta	723,298	14%	800,000	16%
Ravinder Singh	761,649	15%	800,000	16%
Sunita Sahney	556,980	11%	556,980	11%
Laxmi Narayan	173,298	3%	250,000	5%
Compulsorily convertible preference shares of Rs. 10 each fully paid up				
SCI Investments V	4,416,388	34%	4,416,388	44%
Faering Capital Fund II	1,551,076	12%	1,472,231	15%
Faering Capital Fund III	885,808	7%	840,780	8%
SCI Growth Investments III	2,926,637	22%	2,926,637	29%
Norwest Capital, LLC	1,815,726	14%	-	0%
MAJ Invest Financial Inclusion Fund III K/S	928,952	7%	-	0%

(C) Details of promoters share holding

Name of the promoter	As at 31 March, 2022 No. of shares	As at 31 March, 2021 No. of shares	Movement	% change during the year
Equity share capital				
Mohit Sahney	2,600,000	2,600,000	-	-
Sunita Sahney	556,980	556,980	-	-
Compulsorily convertible preference shares of Rs. 10 each fully paid up				
Mohit Sahney	258,070	138,516	119,554	86.31%
Sunita Sahney	258,070	138,516	119,554	86.31%

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.

		As at 31 March, 2022	As at 31 March, 2021
		Rs. /Lakh	Rs. /Lakh
15	**OTHER EQUITY**		
a.	Securities premium	72,353.90	30,583.72
b.	Statutory reserve fund under Section 45-IC of RBI Act, 1934	1,377.80	797.07
c.	Share based payment reserve	147.44	42.19
d.	Surplus in the statement of profit and loss	4,928.71	2,605.82
		78,807.85	**34,028.80**
a.	**Securities premium**		
	Opening balance	**30,583.72**	**8,125.58**
	Add: premium on Shares issued during the year	42,124.91	22,539.90
	Less: premium utilised during the year for issue of shares (net of tax)	(354.73)	(81.76)
	Closing balance	**72,353.90**	**30,583.72**
b.	**Statutory reserve fund under section 45-IC of RBI Act, 1934**		
	Opening balance	**797.07**	**465.87**
	Add: transfer from Surplus in the statement of profit and loss*	580.73	331.20
	Closing balance	**1,377.80**	**797.07**
c.	**Share based payment reserve**		
	Opening balance	**42.19**	**30.53**
	Add: Share Based Payments during the year	105.25	11.66
	Closing balance	**147.44**	**42.19**
d.	**Surplus in the statement of profit and loss**		
	Opening balance	**2,605.82**	**1,281.02**
	Add: Profit for the year	2,900.59	1,650.15
	Add: Other comprehensive income for the year	3.03	5.85
	Less: Transfer to reserve fund as per Section 45-IC of RBI Act, 1934	(580.73)	(331.20)
	Closing balance	**4,928.71**	**2,605.82**
	Total Reserves and Surplus	**78,807.85**	**34,028.80**

*** 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**

15.1 Nature and purpose of reserves

a. 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

b. Share based payment reserve
The outstanding share based payments 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.

c. 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.

d. 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.

e. During the year there has been no change in equity share capital and other equity on account of prior period errors.

		Year ended 31 March 2022	Year ended 31 March 2021
		Rs. /Lakh	Rs. /Lakh
16	**INTEREST INCOME (measured at amortised cost)**		
a.	Interest on Loans	16,199.49	10,752.21
b.	Interest on deposits with banks	1,385.57	932.72
		17,585.06	**11,684.93**
17	**FEES AND COMMISSION INCOME**		
a.	Fee Income	440.85	340.22
		440.85	**340.22**
18	**NET GAIN ON FAIR VALUE CHANGES**		
	On trading portfolio		
a.	Investment in mutual fund at fair value through profit and loss	303.16	270.98
	Total Net gain/(loss) on fair value changes	**303.16**	**270.98**
	Analysis of fair value changes		
a.	Realised	331.41	219.22
b.	Unrealised	(28.25)	51.76
	Total Net gain/(loss) on fair value changes	**303.16**	**270.98**
19	**OTHER INCOME**		
a.	Miscellanous Income	1.45	5.44
		1.45	**5.44**
20	**FINANCE COSTS**		
	Interest on financial liabilities (measured at amortised cost)		
a.	Borrowings	5,001.65	4,211.90
b.	Debt securities	814.96	480.37
c.	Lease liability	38.97	34.91
d.	Bank charges	27.60	29.40
		5,883.18	**4,756.58**
21	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
a.	Loan assets	338.78	(121.88)
b.	Loan assets written off (net of recoveries)	1,228.40	904.25
		1,567.18	**782.37**
22	**EMPLOYEE BENEFITS EXPENSE**		
a.	Salaries and wages	5,373.08	3,551.80
b.	Contribution to provident and other funds	259.50	176.24
c.	Share based payments to employees	105.25	11.66
d.	Gratuity expense	46.29	31.38
e.	Staff welfare expenses	40.87	32.44
		5,824.99	**3,803.52**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Year ended 31 March 2022 Rs. /Lakh	Year ended 31 March 2021 Rs. /Lakh
23	**DEPRECIATION, AMORTIZATION AND IMPAIRMENT**		
a.	Depreciation on property plant and equipments	141.66	114.49
b.	Depreciation on right of use assets	57.67	55.35
c.	Amortisation of intangible assets	23.53	3.08
		222.86	**172.94**
24	**OTHER EXPENSES**		
a.	Rent, rates and taxes	191.01	143.38
b.	Repair and maintenance expenditure	12.08	7.60
c.	Technology expenses	145.58	63.04
d.	Printing and stationery	43.20	19.82
e.	Business/sales promotion expenses	11.02	5.19
f.	Auditors Fee (Refer Note 24.1 below)	19.62	27.08
g.	Legal and professional charges	31.58	52.77
h.	Postage, telegram and telephone expenditure	83.42	46.00
i.	Corporate social responsibilities expenses	35.67	20.28
j.	Office and general expense	120.77	59.23
k.	Travel and conveyance	183.65	55.57
l.	Electricity charges and water charges	34.36	22.64
m.	Insurance	6.52	8.98
n.	Loss on sale of fixed assets	1.65	0.46
o.	Directors setting fees	3.00	2.05
p.	Miscellaneous expenses	46.72	44.81
		969.85	**578.90**
24.1	**Audit fees, limited review , other services (certification fee)**		
a.	Audit fees	10.90	13.08 *
b.	Certifications	1.36	9.00 *
c.	Limited review	7.36	5.00 *
d.	Miscellaneous Expenses	0.26	-
		19.62	**27.08**

* paid to erstwhile auditors

		Year ended 31 March 2022	Year ended 31 March 2021
		Rs. /Lakh	Rs. /Lakh
24.2	**Amount spent towards corporate social responsibility (CSR)**		
a.	Gross amount unspent for the last year	-	-
b.	Gross amount required to be spent by the company during the year	29.81	19.33
c.	Amount spent during the year	30.70	-
d.	Construction/acquisition of any asset	4.97	20.28
	Paid in cash	**35.67**	**20.28**
	Yet to be paid in cash	**-**	**-**
		35.67	**20.28**
e.	**Nature of CSR Activities**		
	Donating oxygen concerntrator	4.00	4.00
	Providing basic furniture for senior citizen community	0.43	-
	Installation of water coolers	0.54	16.28
	Promoting health care by donating for COVID Vaccination	30.00	-
	Advertisement and administrative expenses	0.70	-
		35.67	**20.28**
25	**EARNING PER SHARE**		
	Net profit/ (loss) for calculation of basic EPS and diluted EPS	2,900.59	1,650.15
	Weighted average number of equity shares in calculating basic EPS		
	Equity shares (in lakhs)	147.29	126.49
	Weighted average number of equity shares for computation of Diluted EPS (in lakhs)	151.60	129.70
	Earning per equity share		
	- Basic	19.69	13.09
	- Diluted	19.13	12.77
26	**TAX EXPENSES**		
A.	**The major components of income tax expense are :**		
	Current Income Tax:		
	Current Income Tax Charge	1,132.58	547.29
	Deferred Tax :		
	Relating to the origination and reversal of temporary differences	(170.71)	9.82
	Income tax expense reported in Profit & Loss	**961.87**	**557.11**
	Deferred tax relating to the OCI		
	Net loss/(gain) on re-measurement of defined benefit Plan	**(1.05)**	**(2.01)**
		960.82	**555.10**
B.	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**		
	Accounting Profit before tax as per profit and loss	3,862.46	2,207.26
	Income tax Rate (%)	25.17	25.17
	At India's statutory income tax rate of 25.17%(31 March 2021 : 25.17%)	**972.10**	**555.53**
	Tax effect of: -		
	CSR Expenses	8.97	5.10
	Short term capital gain	(26.54)	(17.56)
	Change in tax rate	0	-
	Other*	7.33	14.03
	At India's statutory income tax rate of 25.17%(31 March 2021 : 25.17%)	**961.87**	**557.11**
	Tax on other comprehensive Income	(1.05)	(2.01)
	Total Tax expense at effective tax rate	**960.82**	**555.10**

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

27 COMPOSITION OF DEFERRED TAX BALANCES

Deferred tax assets/liabilities	As at 31 March, 2021	Charged/ (credited) to statement of profit or loss	As at 31 March, 2022
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
Deferred tax assets			
Difference between tax depreciation and depreciation/amortisation charged in financial statement	8.08	5.89	13.98
Provision for gratuity	15.40	10.62	26.02
Impairment on loans	211.24	57.27	268.51
Impact of EIR and ECL adjustments on financial asset	243.54	121.04	364.58
Employee stock option outstanding	10.62	-	10.62
Impact of lease assets	9.88	(5.12)	4.76
Preliminary expense to be written off	2.00	-	2.00
Gross deferred tax asset (Total A)	**500.76**	**189.72**	**690.46**
Deferred tax liability			
Unrealised Gain	13.39	(7.48)	5.92
Impact of EIR adjustments on financial liabilities	70.51	27.52	98.03
Gross deferred tax liability (Total B)	**83.90**	**20.04**	**103.94**
Net deferred tax assets (Total A- Total B)	**416.86**	**169.66**	**586.52**

Deferred tax assets/liabilities	As at 31 March, 2020	Charged/ (credited) to statement of profit or loss	As at 31 March, 2021
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
Difference between tax depreciation and depreciation/amortisation charged in financial statement	3.99	4.09	8.08
Provision for gratuity	9.65	5.75	15.40
Impairment on loans	215.10	(3.86)	211.24
Impact of EIR and ECL adjustments on financial	231.41	12.13	243.54
Employee stock option outstanding	7.68	2.93	10.62
Impact of lease assets	5.31	4.57	9.88
Preliminary expense to be written off	2.02	(0.03)	2.00
Gross deferred tax asset (Total A)	**475.16**	**25.59**	**500.76**
Deferred tax liability			
Unrealised Gain	-	13.39	13.39
Impact of EIR adjustments on financial liabilities	48.49	22.02	70.51
Gross deferred tax liability (Total B)	**48.49**	**35.41**	**83.90**
Net deferred tax asset (Total A- Total B)	**426.66**	**(9.83)**	**416.86**

28 COMMITMENT AND CONTINGENCIES

a. The estimated value of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (previous year Rs. Nil).

b. The Company has other commitments for services in normal course of business, the Company's operations does not give raise to any commitments for purchase of goods and employee benefits.

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

d. The Company does not have any pending litigations which would impact its financial position in its financial statements. Contingent liabilities Rs. Nil (Previous year Rs. Nil).

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

29 EMPLOYEE BENEFIT PLAN:

i. Defined contribution plan

The Company makes contribution towards provident fund (PF) and employee state insurance (ESI) as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

	Year ended 31 March, 2022 Rs./Lakhs	Year ended 31 March, 2021 Rs./Lakhs
a. Provident fund	218.41	156.10
b. Employee state insurance	41.09	25.83
	259.50	**176.24**

ii 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.

	Year ended 31 March, 2022 Rs./Lakhs	Year ended 31 March, 2021 Rs./Lakhs
Changes in the present value of the defined benefit obligation are as follows:		
a. Opening defined benefit obligation	61.18	37.66
b. Current service cost	41.86	28.82
c. Interest cost on benefit obligation	4.44	2.56
d. Benefits paid during the year	-	-
e. Remeasurement (gain)/loss on obligation	(4.08)	(7.86)
	103.39	**61.18**
Net defined benefit liability		
a. Present value of defined benefit obligation	103.39	61.18
b. Fair value of plan assets	-	-
Plan liability	**103.39**	**61.18**
Net employee benefit expense recognized in the employee cost		
a. Current service cost	41.86	28.82
b. Interest cost	4.44	2.56
c. Return on plan assets	-	-
Net expense recognised in employee benefit expenses	**46.29**	**31.38**
Remeasurement (gains)/ loss recognised in other comprehensive income:		
a. Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(0.87)	(8.62)
b. Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	(3.21)	0.76
	(4.08)	**(7.86)**

	Year ended 31 March, 2022	Year ended 31 March, 2021
The principle assumptions used in determining gratuity obligations for the Company are shown below:		
a. Discount rate	7.25%	6.80%
b. Salary escalation rate	5.00%	5.00%
c. Withdrawal rate	5.00%	5.00%
d. Mortality	IALM 2012-14	IALM 2012-14

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:	31 March 2022	31 March 2021
	Rs./Lakhs	Rs./Lakhs
a. Effect of 1% change in assumed discount rate		
+1% increase	93.34	54.96
- 1% decrease	115.28	68.57
b. Effect of 1% change in assumed salary escalation rate		
+1% increase	115.43	68.63
- 1% decrease	93.06	54.81
c. Effect of 1% change in assumed withdrawal rate		
+ 1% increase	103.71	60.90
- 1% decrease	102.68	61.26

According to the company policy , leave balances are not carried forward to next years and any balance of comepnsated absences outstanding as at year end is lapsed, therefore there is no provision for leave encashment as at 31 March, 2022 and 31 March, 2021.

30 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Fair values of hierarchy

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

31 March, 2022					
Particulars	**Fair value through profit and loss**	**Fair Value through other comprehensive income**	**Amortised cost**	**Total carrying value**	**Total fair value**
	Rs. /Lakh	**Rs. /Lakh**	**Rs. /Lakh**	**Rs. /Lakh**	**Rs. /Lakh**
Financial assets					
Investment in mutual fund	21,663.84	-	-	21,663.84	21,663.84
Cash and cash equivalents	-	-	6,558.43	6,558.43	6,558.43
Bank and bank other than cash & cash equivalents	-	-	35,158.03	35,158.03	35,158.03
Loans (fixed rate)	-	-	93,656.55	93,656.55	93,656.55
Other financial asset	-	-	149.16	149.16	149.16
Total	**21,663.84**	**-**	**135,522.17**	**157,186.01**	**157,186.01**
Financial liabilities					
Trade payables	-	-	2,115.15	2,115.15	2,115.15
Debt securities	-	-	6,465.33	6,465.33	6,465.33
Borrowing other than Debt securities	-	-	57,962.43	57,962.43	57,962.43
Lease liability	-	-	285.20	285.20	285.20
Total	**-**	**-**	**66,828.11**	**66,828.11**	**66,828.11**

31 March, 2021					
Particulars	**Fair value through profit and loss**	**Fair Value through other comprehensive income**	**Amortised cost**	**Total carrying value**	**Total fair value**
	Rs. /Lakh	**Rs. /Lakh**	**Rs. /Lakh**	**Rs. /Lakh**	**Rs. /Lakh**
Financial assets					
Investments in mutual funds	10,563.07	-	-	10,563.07	10,563.07
Cash and cash equivalents	-	-	730.32	730.32	730.32
Bank and bank other than cash & cash equivalents	-	-	27,048.58	27,048.58	27,048.58
Loans (fixed rate)	-	-	57,758.00	57,758.00	57,758.00
Other financial asset	-	-	924.68	924.68	924.68
Total	**10,563.07**	**-**	**86,461.58**	**97,024.65**	**97,024.65**
Financial liabilities					
Trade payables	-	-	1,272.15	1,272.15	1,272.15
Debt securities	-	-	8,451.29	8,451.29	8,451.29
Borrowing other than Debt securities	-	-	43,908.02	43,908.02	43,908.02
Lease liability	-	-	305.39	305.39	305.39
Total	**-**	**-**	**53,936.85**	**53,936.85**	**53,936.85**

The following methods and assumptions were used to estimate the fair values:

a) The fair value of the Company's interest bearings borrowings, which are measured at amortised cost, determined using discount rate that reflects the entity's discount rate at the end of the reporting period.

b) The fair value of Investment in Mutual funds are determined by reference to the value as at reporting date, a level 1 technique.

c) The fair value of other financial assets and liabilities is estimated either by reference to the net assets value as at the reporting date or by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities, a level 3 technique.

31 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.

	As at 31 March, 2022	**As at 31 March, 2021**
	Rs. /Lakhs	**Rs. /Lakhs**
Debt	64427.76	52359.31
Net Worth	91846.54	44190.006
Debt to Net Worth (In time)	0.70	1.18

32 RISK MANAGEMENT

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

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its 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.

33 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

	Maturity profile of Financial liabilities as at 31 March, 2022		
Particulars	**Borrowings**	**Payables**	**Lease Liabilities**
1 Day to 31 Days / One month	1,752.71	2,115.15	-
Over 1 month to 2 month	1,229.04	-	-
Over 2 month to 3 month	1,419.71	-	-
Over 3 month to 6 month	4,577.77	-	-
Over 6 month to 1 year	9,560.29	-	39.49
Over 1 year to 3 years	32,009.73	-	91.96
Over 3 years to 5 years	13,002.40	-	85.52
Over 5 years	876.12	-	68.23
Total	**64,427.76**	**2,115.15**	**285.20**

Rs. /Lakh

	Maturity profile of Financial liabilities as at 31 March, 2021		
Particulars	**Borrowings**	**Payables**	**Lease Liabilities**
1 Day to 31 Days / One month	5,355.94	1,272.15	-
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**	**1,272.15**	**305.39**

Change in liability arising from financing activities

	As at 31 March, 2021	Cash flows	Other*	As at 31 March, 2022
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
Debt securities	8,451.29	(1,940.21)	(45.75)	**6,465.33**
Borrowings	43,908.02	14,153.51	(99.10)	**57,962.43**
Total	**52,359.31**	**12,213.30**	**(144.85)**	**64,427.76**

	As at 31 March, 2020	Cash flows	Other*	As at 31 March, 2021
	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh	Rs. /Lakh
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**

* Other column includes amortisation of transaction cost.

(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 :

	As at 31 March, 2022		As at 31 March, 2021	
	Amount Rs. /Lakhs	%	Amount Rs. /Lakhs	%
Micro and small medium enterprise loans	86,916.44	91.66%	54,057.63	92.26%
Home loans	7,902.91	8.33%	4,519.41	7.71%
Others	10.06	0.01%	15.03	0.03%
	94,829.41	**100.00%**	**58,592.07**	**100.00%**

	As at 31 March, 2022		As at 31 March, 2021	
	Amount Rs. /Lakhs	%	Amount Rs. /Lakhs	%
Rajasthan	74,267.97	78.32%	50,554.32	86.28%
Madhya Pradesh	10,477.83	11.05%	5,218.79	8.91%
Delhi (NCR)	4,147.27	4.37%	2,130.00	3.64%
Jharkhand	1,651.39	1.74%	291.46	0.50%
Haryana	1,834.35	1.93%	290.90	0.50%
Chhattisgarh	2,116.17	2.23%	106.60	0.18%
Uttarkhand	319.08	0.34%	-	0.00%
Bihar	13.63	0.01%	-	0.00%
Punjab	1.72	0.00%	-	0.00%
	94,829.41	**100.00%**	**58,592.07**	**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:

Parti Particulars	Year Ended 31 March, 2022		Year Ended 31 March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(471.84)	(471.84)	(147.52)	(147.52)
Decrease in basis points (+/- 1%)	471.84	471.84	147.52	147.52

(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.

(g) Foreign currency risk

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The increase/ (decrease) in foreign currency exchange rates are not expected to have any significant impact in these financial statements.

(h) ECL Sensitivity to future economic condition	As at 31 March, 2022	As at 31 March, 2021
	Rs./Lakh	Rs./Lakh
Gross carrying amount of loans	94,829.41	58,592.07
Reported ECL	1,172.86	834.07
Reported ECL coverage	1.24%	1.42%
Reported ECL including Management Overlay	1,172.86	834.07
Management Overlay	360.00	400.44
Reported ECL excluding Management overlay	812.86	433.63
ECL amounts for alternate scenario		
Upside Scenario (10%)	894.15	476.99
Downside Scenario (10%)	731.57	390.27
ECL coverage ratio by scenario		
Upside Scenario (10%)	0.94%	0.81%
Downside Scenario (10%)	0.77%	0.67%

34 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 almost all 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 31 MARCH, 2022 AND 31 MARCH, 2021

	As at 31 March, 2022			As at 31 March, 2021		
	Amount	Current	Non Current	Amount	Current	Non Current
	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
ASSETS						
Financial assets						
Cash and cash equivalents	6,558.43	6,558.43	-	730.32	730.32	-
Bank balance other than cash and cash equivalents	35,158.03	4,640.11	30,517.92	27,048.58	18,434.71	8,613.87
Loans	93,656.55	16,319.22	77,337.33	57,758.00	10,837.22	46,920.78
Investments	21,663.84	21,663.84	-	10,563.07	10,563.07	-
Other financial assets	149.16	26.56	122.60	924.68	405.63	519.05
Subtotal (A)	**157,186.01**	**49,208.16**	**107,977.85**	**97,024.65**	**40,970.94**	**56,053.72**
Non- financial assets						
Current tax assets	379.03	379.03	-	159.97	159.97	-
Deferred tax assets (net)	586.52	-	586.52	416.86	-	416.86
Property, plant and equipment	489.22	-	489.22	428.77	-	428.77
Right of use assets	242.79	-	242.79	278.79	-	278.79
Intangible assets	83.89	-	83.89	70.52	-	70.52
Intangible assets under	30.46	30.46	-	21.63	21.63	-
Capital work in progress	103.76	103.76	-	-	-	-
Other non- financial assets	92.88	92.88	-	30.91	30.91	-
Subtotal (B)	**2,008.55**	**606.13**	**1,402.42**	**1,407.45**	**212.51**	**1,194.94**
Total assets	**159,194.56**	**49,814.29**	**109,380.27**	**98,432.10**	**41,183.45**	**57,248.66**
LIABILITIES						
Financial liabilities						
Payables	2,115.15	2,115.15	-	1,272.15	1,272.15	-
Debt securities	6,465.33	2,675.24	3,790.09	8,451.29	2,089.02	6,362.27
Borrowings (other than debt securities)	57,962.43	15,864.28	42,098.15	43,908.02	15,904.94	28,003.08
Lease liabilities	285.20	39.49	245.71	305.39	35.64	269.75
Subtotal (A)	**66,828.11**	**20,694.16**	**46,133.95**	**53,936.85**	**19,301.76**	**34,635.09**
Non-financial liabilities						
Provisions	103.39	-	103.39	61.18	-	61.18
Other Non-financial liabilities	416.52	416.52	-	244.06	244.06	-
Subtotal (B)	**519.91**	**416.52**	**103.39**	**305.24**	**244.06**	**61.18**
Equity						
Equity share capital	13,038.69	-	13,038.69	10,161.21	-	10,161.21
Other equity	78,807.85	-	78,807.85	34,028.80	-	34,028.80
Subtotal (C)	**91,846.54**	**-**	**91,846.54**	**44,190.01**	**-**	**44,190.01**
Total liability (A+B+C)	**159,194.56**	**21,110.68**	**138,083.88**	**98,432.10**	**19,545.82**	**78,886.28**

36 STOCK OPTION

The Company has formulated share based payment scheme for its employees named as Employee Stock Option Plan 2018 and Employee stock option plan 2020. The grants made under this scheme are represented as below:

	ESOP Scheme 2018 (I)	ESOP Scheme 2018 (II)	ESOP Scheme 2018 (III)	ESOP Scheme 2018 (IV)	ESOP Scheme 2018 (V)	ESOP Scheme 2020 (I)	ESOP Scheme 2020 (II)
Date of grant	01-Nov-18	07-Jan-19	03-Jul-19	04-Jun-21	12-Nov-21	04-Jun-21	12-Nov-21
Date of Board / Compensation Committee approval	01-Nov-18	07-Jan-19	03-Jul-19	04-Jun-21	12-Nov-21	04-Jun-21	12-Nov-21
Options approved			211642			193592	
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
One year from the date of grant	20%	20%	20%	20%	20%	20%	20%
On expiry of one year from the 1st vesting date	20%	20%	20%	20%	20%	20%	20%
On expiry of two years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%
On expiry of three years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%
Exercise period				5 years from each vesting date			
Vesting conditions				Continuous service			
Weighted average remaining contractual life (in years)	5.59	5.77	6.26	8.18	8.62	8.18	8.62
Weighted average exercise price per option (in Rs.)	175.00	175.00	360.97	708.78	708.78	708.78	708.78
Weighted average fair value of stock options granted	35.50	35.21	82.92	122.03	117.18	122.03	117.18
For the year ended 31 March, 2022							
Options outstanding at the beginning of the year	43,840	13,550	62,680	-	-	-	-
Granted during the year	-	-	-	76,500	13,582	189,850	29,492
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Expired/Lapsed during the year	4,800	-	4,460	6,000	1,000	35,750	6,000
Outstanding at the end of the year	39,040	13,550	58,220	70,500	12,582	154,100	23,492
Exercisable at the end of the year	24,400	9,200	20,960	-	-	-	-

For the year ended 31 March, 2021							
Options outstanding at the 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	-	-	-	-

ii. Computation of fair value of options granted during the year ended 31 March, 2022

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 (IV) (V)				ESOP Scheme 2020 (I) (II)			
	Tranch 1	**Tranch 2**	**Tranch 3**	**Tranch 4**	**Tranch 1**	**Tranch 2**	**Tranch 3**	**Tranch 4**
Life of the options granted (years)	1 Years	2 Years	3 Years	4 Years	1 Years	2 Years	3 Years	4 Years
Risk-free interest rate (%)	4.10%	4.67%	5.12%	5.45%	3.83%	4.39%	4.86%	5.34%
Fair value of the option (Rs.)	56.14	92.74	128.3	163.05	60.32	97.29	132.70	168.98
Share price on the date of grant (Rs.)	708.78	708.78	708.78	708.78	708.78	708.78	708.78	708.78
Exercise price (Rs.)	708.78	708.78	708.78	708.78	708.78	708.78	708.78	708.78
Expected volatility (%)	14.56%	14.56%	14.56%	14.56%	16.52%	16.52%	16.52%	16.52%
Expected dividend rate (%)	-	-	-	-	-	-	-	-

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

Nil options has been granted during the year ended 31 March, 2021

Rs. /Lakhs

Particulars	31 March, 2022	31 March, 2021
Expenses charged for the period	105.25	11.66
Employee stock options outstanding balance	147.44	42.19

37 RELATED PARTY DISCLOSURE

A. Name of the

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. July 6, 2021)
	6. Mr. Jaikishan Premani (Company Secretary) (wef. October 11, 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. Mrs. 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
	26. Mr.Ganesh Premani
	27. Mrs.Usha Premani
	28. Mrs. Priyanka Thawani
	29. Mrs. Harsha Sabdhani
	30. Master Adhvit Sharma

B. Details of transactions during the year with related parties

(Rs. /Lakhs)

Name of the employee	Nature of Expenses	Key Managerial Personnel		Relatives of Key Managerial Personnel and other parties	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Mr. Mohit Sahney	Remuneration	157.25	112.32	-	-
Mrs. Sunita Sahney	Remuneration	54.60	39.00		
Mr. Rahul Sahney	Remuneration	-	-	42.32	42.00
Mr. Ravi Sharma	Remuneration	29.20	2.42	-	-
Mr. Jaikishan Premani	Remuneration	4.85		-	
Ms. Garima Jhamnani	Remuneration	-	3.05	-	-
Ms. Namrata Sajnani	Remuneration	4.74	4.30	-	-
Mr. Mohit Sahney	Incentive	65.52	-	-	-
Mrs. Sunita Sahney	Incentive	22.75	-	-	-
Mr. Rahul Sahney	Incentive	-	-	16.25	-
Mr. Ravi Sharma	Incentive	7.13	-	-	-
Mrs. Sunita Sahney	Expenses Reimbursement	0.60	0.60	-	-
Mr. Rahul Sahney	Expenses Reimbursement	-	-	15.23	0.97
Ms. Garima Jhamnani	Expenses Reimbursement	-	0.11	-	-
Mr. Ravi Sharma	ESOP	-	9.24	-	-

C. Details of outstanding balances at the end of the year with related parties

(Rs. /Lakhs)

Name of the employee	Nature of Expenses	Key Managerial Personnel		Relatives of Key Managerial Personnel and other parties	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Mr. Rahul Sahney	Remuneration	-	-	3.39	2.66
Mr. Ravi Sharma	Remuneration	2.19	1.68	-	-
Ms. Namrata Sajnani	Remuneration	-	1.46	-	-
Mr. Jaikishan Premani	Remuneration	0.82	-	-	-

38 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAINS ITEMS OF ASSET AND LIABILITY

(Rs. /Lakhs)

For the year 2021-2022	Advances*	Investments	Borrowings
	Rs./Lakh	Rs./Lakh	Rs./Lakh
1 to 7 Days	645.42	21,663.84	408.96
8 to 14 Days	234.07	-	350.54
15 to 30 Days	1,599.06	-	993.20
Over 1 month to 2 month	1,193.39	-	1,229.04
Over 2 month to 3 month	1,229.22	-	1,419.71
Over 3 month to 6 month	3,735.77	-	4,577.77
Over 6 month to 1 year	7,682.29	-	9,560.29
Over 1 year to 3 years	33,136.57	-	32,009.73
Over 3 years to 5 years	31,870.03	-	13,002.40
Over 5 years	12,330.73	-	876.12
	93,656.55	**21,663.84**	**64,427.76**

* Advances are net of ECL Provision

(Rs. /Lakhs)

For the year 2020-2021	Advances*	Investments	Borrowings
	Rs./Lakh	Rs./Lakh	Rs./Lakh
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

39 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.

40 EXPOSURE TO REAL ESTATE SECTOR

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

(Rs. /Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 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.	7,902.91	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- Residential Commercial real estate	-	-
b. Indirect exposure (fund and non fund based)	-	-
Total exposure to real estate sector	7,902.91	4,519.41

41 EXPOSURE TO CAPITAL MARKET

The company has no exposure to capital market as on 31 March, 2022 (For the year ended 31 March, 2021 (Nil).

42 PROVISIONS AND CONTINGENCIES

(Rs. /Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Break-up 'provision and contingencies' shown under the head Expenditure in statement of		
a. Provision for depreciation on investment	-	-
b. Provision towards NPA (expected credit loss on stage 3 assets)	707.14	160.01
c. Provision made towards income tax (net of deferred tax)	961.87	555.10
d. Other provision and contingencies	103.39	61.18
e. Provision for standard assets (expected credit loss on stage 1 & 2 assets)	465.73	674.06
	2,238.13	**1,450.35**

43 CONCERNTRATION OF ADVANCES

(Rs. /Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total advance to twenty largest	649.76	796.79
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.69%	1.38%
44 CONCERNTRATION OF EXPOSURE		
Total exposure to twenty largest borrowers/customers	649.76	796.79
Percentage of exposure to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.69%	1.38%
45 CONCERNTRATION OF NPA		
Total exposure to top four NPA account	101.07	73.82

46 SECTOR WISE NPA'S

(Rs. /Lakhs)

Sector	Percentage of NPAs to Total Advances in that Sector As at 31 March, 2022		Percentage of NPAs to Total Advances in that Sector As at 31 March, 2021	
Agriculture and allied activities	-	0.00%	-	0.00%
Micro and small medium enterprise loans	1,572.12	1.81%	357.70	0.62%
Corporate borrowers	-	0.00%	-	0.00%
Services	-	0.00%	-	0.00%
Unsecured personal loans	-	0.00%	-	0.00%
Home Loan	144.74	1.83%	39.05	0.07%

47 MOVEMENT OF NPA's

(Rs. /Lakhs)

Sector	As at 31 March, 2022	As at 31 March, 2021
i. Net NPA's to Net Advance %	1.08%	0.41%
ii. Movement of NPAs (Gross)		
a. Opening	396.75	85.34
b. Additions during the year	1,584.81	396.75
c. Reductions during the year	(264.70)	(85.34)
d. Closing	1,716.86	396.75
iii. Movement of Net NPAs		
a. Opening	236.74	50.86
b. Additions during the year	930.57	236.74
c. Reductions during the year	(157.59)	(50.86)
d. Closing	1,009.72	236.74
iv. Movement of provision for NPAs (Excluding		
a. Opening	160.01	34.48
b. Additions during the year	654.24	160.01
c. Write-off/Write back of excess provision	(107.11)	(34.48)
d. Closing	707.14	160.01

48 CAPITAL

Particulars	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	Variance
a. CRAR (%)	Adjusted Tier I and Tier II Capital	Risk weighted Assets	78.45%	62.60%	15.85%
b. CRAR-Tier I Capital (%)	Adjusted Tier I Capital	Risk weighted Assets	78.05%	62.11%	15.95%
c. CRAR-Tier II Capital (%)	Adjusted Tier II Capital	Risk weighted Assets	0.40%	0.49%	-0.09%
d. Liquidity coverage ratio	Highly qualified Liquid assets	Net Cash outflow		Not applicable	
e. Amount of subordinated debt raised as Tier-II capital			-	-	0.00%
f. Amount raised by issue of Perpetual Debt Instruments			-	-	0.00%

Basis of ratios

	Year ended 31 March 2022 Rs./ lakhs	Year ended 31 March 2021 Rs./ lakhs
a. Adjusted Tier I Capital	91,052.79	43,650.08
b. Adjusted Tier II Capital	465.72	345.22
c. Total Capital	91,518.51	43,995.30
d. Risk Weighted Assets	116,657.22	70,283.50
e. Highly qualified liquid assets	Not applicable	
f. Net cash outflow in next 30 calendar days	Not applicable	

Note:
RBI vide circular dated 4.11.2019 issued the guidelines covering liquidity risk management for NBFCs wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on all non-deposit taking NBFCs with asset size of more than Rs. 5,00,000 lakhs. The Company does not meet the criteria accordingly the disclosure provisions not applicable to the Company.

49 CRAR as at 31 March, 2022 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.

50 INVESTMENTS

(Rs. /Lakhs)

Particulars	31 March, 2022	31 March, 2021
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	21,663.84	10,563.07
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	21,663.84	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	-	-

51 ADDITIONAL DISCLOSURE AS REQUIRED IN TERMS OF NBFC MASTER CIRCULAR ARE AS FOLLOWS

a. **Derivatives**
- The company has no transaction/exposure in forward rate agreement/interest rate swap during 2021-22 (For the 2020-21 Nil).
- The company has no transaction/exposure in exchange traded interest rate (IR) derivatives during 2021-22 (For the 2020-21 Nil).
- The company has no transaction/exposure in Currency Derivatives and interest rate derivatives during 2021-22 (For the 2020-21 Nil).

b. The company has not sold any financial asset to Securitization/Reconstruction company for Asset Reconstruction during the Financial year 2021-22 (For the 2020-21 Nil).

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

d. **Expenditure in foreign currency** **(Rs. /Lakhs)**

Particulars	31 March, 2022	31 March, 2021
Reimbursement of charges	15.32	13.35

e. The company does not have any earning in Foreign currency.
f. The company has not taken any securitization transactions till 31 March, 2022 (For the 2020-21 Nil).
g. The company has not taken any assignment transaction.
h. The company has neither purchased or sold any non performing asset.
i. The prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the Year 2021-22 (For the Year 2020-21 Nil).
j. 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 2021-22 (For the Year 2020-21 Nil).
k. No reserve have been draw down during the financial year 2021-22 except as disclosed in Part (b) of statement of change in equity (For the Year 2020-21 Nil).
l. The company does not have any joint venture and subsidiaries overseas.
m. The company does not have any off-balance sheet SPV sponsored either domestic or overseas.
n. There is no parent company to finance any product.
o. There is no significant uncertainty which requires postponement of revenue recognition.

52 DISCLOSURE OF CUSTOMER COMPLAINTS

Sector	31 March, 2022	31 March, 2021
a. No. of complaints pending at the beginning of the year	3	-
b. No. of complaints received during the year	17	18
c. No. of complaints redressed during the year	20	15
d. **No. of complaints pending at the end of the year**	-	3

53 TRANSACTION WITH NON-EXECUTIVE DIRECTORS

(Rs. /Lakhs)

Name of non-executive director	Transaction type	31 March, 2022	31 March, 2021
a. Arjun Dan Ratnoo (Independent	Fee for attending board committee meeting	3.00	2.00
b. Arjun Dan Ratnoo (Independent	Membership fees	0.00	0.05
		3.00	2.05

54 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	2021-22	2020-21
Bank Loan	ACUITE	30-Sep-21	28-Nov-22	ACUITE A-/Stable (Reaffirmed)	ACUITE A-/Stable (Reaffirmed)
Bank Loan	CARE	26-Nov-21	3-Dec-22	CARE BBB+; positive	CARE BBB+; Stable
Non-Convertible Debentures - Listed	ACUITE	30-Sep-21	28-Nov-22	ACUITE A-/Stable (Reaffirmed)	ACUITE A-/Stable (Reaffirmed)
Non-Convertible Debentures - MLD	ACUITE	30-Sep-21	28-Nov-22	ACUITE PP-MLD A-/ Stable (Reaffirmed)	ACUITE PP-MLD A-/ Stable (Assigned)
Non-Convertible Debentures - Unlisted	CARE	26-Nov-21	30-Nov-22	CARE BBB+; positive	CARE BBB+; Stable (Assigned)
Non-Convertible Debentures - Proposed	ACUITE	30-Sep-21	28-Nov-22	ACUITE Provisional A /Stable (Reaffirmed)	ACUITE Provisional A /Stable (Reaffirmed)

55 DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

In terms of Requirement as per RBI notification no. 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, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by Company exceeds the total Provision required under IRACP (including Standard Asset provisioning),as at March 31, 2022 and accordingly no amount is required to be transferred to impairment reserve.

Details of impairment loss allowance reserve as at 31 March 2022: -

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount	Provision for loss allowances as per Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Variance
1	2	3	4	(5)=(3)-(4)	6	(7)=(4)-(6)
		(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)
Performing assets						
Standard	Stage 1	91,170.13	407.97	90,762.16	364.68	43.29
	Stage 2	1,932.34	57.75	1,874.60	7.73	50.02
Subtotal		**93,102.47**	**465.72**	**92,636.75**	**372.40**	**93.31**
Non-performing assets						
Substandard (A)	Stage 3	1,421.61	618.56	803.04	142.16	476.40
Doubtful						
Up to 1 year	Stage 3	295.27	88.58	206.69	59.05	29.53
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful (B)		**295.27**	**88.58**	**206.69**	**59.05**	**29.53**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (C) = (A+B)		**1,716.88**	**707.14**	**1,009.73**	**201.21**	**505.93**
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 (D)		-	-	-	-	-
Total (C - D)	Stage 1	**91,170.13**	**407.97**	**90,762.16**	**364.68**	**43.29**
	Stage 2	**1,932.34**	**57.75**	**1,874.60**	**7.73**	**50.02**
	Stage 3	**1,716.88**	**707.14**	**1,009.73**	**201.21**	**505.93**
Grand Total		**94,819.35**	**1,172.86**	**93,646.49**	**573.62**	**599.24**

*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.

Details of impairment loss allowance reserve as at 31 March 2021: -

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount	Provision for loss allowances as per Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Variance
1	2	3	4	(5)=(3)-(4)	6	(7)=(4)-(6)
		(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)	(Rs. /Lakhs)
Performing assets						
Standard	Stage 1	56,373.27	345.21	56,028.06	225.49	119.72
	Stage 2	1,822.02	328.85	1,493.20	7.29	321.56
Subtotal		**58,195.29**	**674.06**	**57,521.25**	**232.78**	**441.28**
Non-performing assets (NPA)						
Substandard (A)	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 (B)		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (C) = (A+B)		**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 (D)		-	-	-	-	-
Total (C - D)	Stage 1	**56,373.27**	**345.21**	**56,028.06**	**225.49**	**119.72**
	Stage 2	**1,822.02**	**328.85**	**1,493.20**	**7.29**	**321.56**
	Stage 3	**396.75**	**160.01**	**236.74**	**39.68**	**120.33**
Grand Total		**58,592.04**	**834.07**	**57,758.00**	**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.

56 DETAILS IN RESPECT OF RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS' AND 'MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR — RESTRUCTURING OF ADVANCES

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No. BP.BC. 108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020

Particulars	31 March, 2022	31 March, 2021
Number of accounts restructured	80	-
Amount (Rs. In Lakhs)	524.87	-

Disclosure as per format prescribed under notification number RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-2022 Dated May 5, 2021 for the year ended March 31, 2022 for the restructured loans are given below:

Rs. /Lakhs

Particulars	Individual Borrowers		Business Loan
	Personal Loans	Business Loans	
a. Number of requests received for invoking resolutions process.	3.00	5.00	-
b. Number of accounts where resolution plan has been implemented under this window.	3.00	5.00	-
c. Exposure to accounts mentioned at b before implementation of the plan (amount).	26.48	13.97	-
d. aggregate amount of debt that was converted into other securities.	-	-	-
e. Additional funding sanctioned, if any, including between invocation of the plan and implementation.	-	-	-
f. Increase in Provision on account of the implementation of the resolution plan (amount).	2.65	1.40	-

57 Risk assessment for COVID 19

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.

Disclosure as per the format (Format A) prescribed under notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2022 for restructured loans are given below:

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in Provision on account of the implementation of the resolution plan (amount)
	(A)	(B)	(C)	(D)	(E)
Personal Loans	NIL	NIL	NIL	NIL	NIL
Business Loans	NIL	NIL	NIL	NIL	NIL
Small Business	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

Disclosure as per the format (Format B) prescribed under notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2022 for restructured loans are given below:

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of the previous nine-month (A)*	Of (A) aggregate debt that slipped into NPA during the nine-month	Of (A) amount written off during the nine-month	Of (A) amount paid by the borrowers during the nine-month	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of this nine-month
	(A)	(B)	(C)	(D)	(E)
Personal Loans	NIL	NIL	NIL	NIL	NIL
Business Loans	NIL	NIL	NIL	NIL	NIL
Small Business	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

58 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 31 March, 2022 & as at 31 March, 2021 is as follows:

a. Funding concentration based on significant Counterparty as at 31 March, 2022

(Rs. /Lakhs)

Number of significant counterparts	Amount	% Of Total Deposit	% Of Total Liabilities
30	61,966.46	-	92.01%

a. Funding concentration based on significant Counterparty as at 31 March, 2021

(Rs. /Lakhs)

Number of significant counterparts	Amount	% Of Total Deposit	% Of Total Liabilities
25	50,781.70	-	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

Particulars	31 March, 2022	31 March, 2021
	(Rs. /Lakhs)	(Rs. /Lakhs)
Total Value of top 10 Borrowings	35,672.96	31,849.81
% of Total Borrowings	55.37%	60.83%

d. Funding concentration based on significant Instrument/Product

Particulars	31 March, 2022		31 March, 2021	
	Amount	% Of Total Liabilities	Amount	% Of Total Liabilities
	(Rs. /Lakhs)		(Rs. /Lakhs)	
a. Term Loans	57,962.43	86.06%	40,016.94	73.77%
b. Non-Convertible Debentures	6,465.33	9.60%	8,451.29	15.58%
c. Overdraft facilities	-	0.00%	3,891.08	7.17%
	64,427.76	**95.66%**	**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	NIL
	b. Other Short-Term Liabilities as a % of Total Liabilities	3.91%
	c. Other Short-Term Liabilities as a % of Total Assets	1.66%

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 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.

59 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.

60 OPERATING SEGMENTS

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

The Company operates in single segments only. There are no operations outside India and hence there is no external revenue or assets which require disclosure

61 OTHER STATUTORY INFORMATION

a. The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
b. No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2022.
c. During the current financial year, company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
d. There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961
e. During the current year company has not advanced or loaned or invested funds (either borrowed funds or share premium) to any other person(s) or entities, including foreign entities (intermediaries)
f. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
g. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
h. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
i. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
j. During the year, company has not sanctioned any working capital or working capital limit, hence not required to submit quarterly stock statement with th banks/financial institutions
k. The Company have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

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

62 Estimates and associated assumptions applied in preparing these financial statements, 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.

63 The previous year numbers have been audited by the predecessor auditors S. R. Batliboi & Associates LLP. The predecessor auditor issued an unmodified opinion on the financial statements.

64 Events after the reporting period

There is no matter after the balance sheet date which are required to be disclosed in the financial statements.

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

The accompanying notes are forming part of financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Sd/-
Vinesh Jain
Partner
Membership No. 087701
Place: Gurugram
Date: 29 April, 2022

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

Sd/-
Mohit Sahney
MD & CEO
DIN: 07280918
Place: Jaipur
Date: 29 April, 2022

Sd/-
Sunita Sahney
Whole Time Director
DIN: 02395354
Place: Jaipur
Date: 29 April, 2022

Sd/-
Ravi Sharma
Chief Financial Officer

Place: Jaipur
Date: 29 April, 2022

Sd/-
Jaikishan Premani
Company Secretary
M. No: A42043
Place: Jaipur
Date: 29 April, 2022