

**Independent Auditor's Limited review report on unaudited quarterly financial results of Finova Capital Private Limited under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

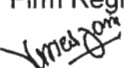
**To the Board of Directors of Finova Capital Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Finova Capital Private Limited ("the Company") for the quarter ended 30 June, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder, Reserve Bank of India guidelines; and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 8 of the Statement with respect to the management's evaluation of COVID-19 pandemic impact on the future performance of the Company. This assessment and outcome of the pandemic is made by management and is highly dependent on the circumstances as they evolve in the subsequent periods. Our conclusion is not modified in respect of this matter.

**Other Matter**

6. The comparative financial information of the Company for the corresponding three months period ended 30 June, 2021 have not been subjected to limited review / audit, Our conclusion is not modified in respect of this matter.

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

  
**Vinesh Jain**  
Partner

Membership No.: 087701  
UDIN No.: 22087701ANRKA87128  
Place: Mumbai  
Date 27 July 2022



Finova Capital Private Limited  
CIN-U65993RJ2015PTC048340

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Tel.: 0141-4118202, www.finova.in, E-mail : info@finova.in

Statement of Unaudited Financial Results for the quarter ended June 30, 2022  
(All Amount in lakhs, except as stated otherwise)

| S.No.    | Particulars  | Quarter ended<br>June 30, 2022<br>(Unaudited) | Quarter ended<br>March 31, 2022<br>(Audited) | Quarter ended<br>June 30, 2021<br>(Unaudited) | Year ended<br>March 31, 2022<br>(Audited) |
|----------|--|---|--|---|---|
| <b>A</b> | <b>Revenue from operations</b>   |   |  |   |   |
| a)       | Interest Income  | 6,611.93                                      | 5,306.21                                     | 3,790.47                                      | 17,585.06                                 |
| b)       | Fees and commission Income   | 158.52  | 103.90                                       | 64.91   | 440.85                                    |
| c)       | Net gain on fair value changes   | 65.08   | 75.93  | 13.68   | 303.16                                    |
|          | <b>Total revenue from operations (A)</b>   | <b>6,835.53</b>                               | <b>5,486.04</b>                              | <b>3,869.06</b>                               | <b>18,329.07</b>                          |
| <b>B</b> | <b>Other Income</b>  | <b>0.03</b>                                   | <b>0.12</b>                                  | <b>-</b>                                      | <b>1.45</b>                               |
|          | <b>Total Income (A+B)</b>  | <b>6,835.56</b>                               | <b>5,486.16</b>                              | <b>3,869.06</b>                               | <b>18,330.52</b>                          |
| <b>C</b> | <b>Expenses</b>  |   |  |   |   |
| a)       | Finance Costs  | 1,690.32                                      | 1,508.15                                     | 1,406.96                                      | 5,883.18                                  |
| b)       | Impairment on financial instruments  | 581.08  | 86.62  | 391.01  | 1,567.18                                  |
| c)       | Employee Benefits Expense  | 2,030.49                                      | 1,694.69                                     | 1,238.60                                      | 5,824.99                                  |
| d)       | Depreciation, amortization and impairment  | 67.44   | 50.98  | 47.48   | 222.86                                    |
| e)       | Other expenses   | 402.07  | 358.56                                       | 185.28  | 969.85                                    |
|          | <b>Total Expenses (C)</b>  | <b>4,771.40</b>                               | <b>3,699.00</b>                              | <b>3,269.33</b>                               | <b>14,468.06</b>                          |
| <b>D</b> | <b>Profit before tax (A+B-C)</b>   | <b>2,064.16</b>                               | <b>1,787.16</b>                              | <b>599.73</b>                                 | <b>3,862.46</b>                           |
| <b>E</b> | <b>Tax Expense:</b>  |   |  |   |   |
|          | (1) Current Tax  | 712.02  | 201.29                                       | 254.68  | 1,132.58                                  |
|          | (2) Deferred Tax   | (193.46)                                      | 249.81                                       | (105.40)                                      | (170.71)                                  |
|          | <b>Total Expenses (E)</b>  | <b>518.56</b>                                 | <b>451.10</b>                                | <b>149.28</b>                                 | <b>961.87</b>                             |
| <b>F</b> | <b>Profit for the period (D-E)</b>   | <b>1,545.60</b>                               | <b>1,336.06</b>                              | <b>450.45</b>                                 | <b>2,900.59</b>                           |
| <b>G</b> | <b>Other Comprehensive Income</b>  |   |  |   |   |
|          | 1) Items that will not be reclassified to profit or loss                         |   |  |   |   |
|          | (i) Re-measurement of net defined benefit plans                                  | (3.88)  | 6.90   | (2.68)  | 4.08                                      |
|          | 2) Income tax relating to items that will not be reclassified to profit and loss | 0.99  | (1.76)                                       | 0.59  | (1.05)                                    |
| <b>H</b> | <b>Other Comprehensive Income ( 1-2)</b>   | <b>(2.89)</b>                                 | <b>5.14</b>                                  | <b>(1.99)</b>                                 | <b>3.03</b>                               |
| <b>I</b> | <b>Total comprehensive income for the period (F+H)</b>                           | <b>1,542.71</b>                               | <b>1,341.20</b>                              | <b>448.46</b>                                 | <b>2,903.62</b>                           |
| <b>J</b> | <b>Earnings per equity share*</b>  |   |  |   |   |
|          | Basic (Rs.)  | 8.76  | 9.11   | 3.06  | 19.69                                     |
|          | Diluted (Rs.)  | 8.44  | 8.85   | 2.94  | 19.13                                     |
|          | Nominal value per share (Rs.)  | 10.00   | 10.00  | 10.00   | 10.00                                     |

\* Not annualized for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021

Place: Mumbai  
Date: July 27, 2022



For and on behalf of Board of Directors of  
Finova Capital Private Limited

Mohit Sahney  
(Managing Director & CEO)  
DIN: 07280918



Finova Capital Private Limited  
CIN-U65993RJ2015PTC048340

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Notes

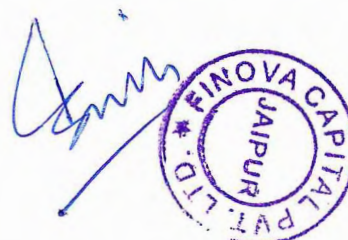
1. Finova Capital Private Limited (the "Company") has prepared unaudited financial results (the "Statement") for the quarter ended June 30, 2022 in accordance with Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and the Accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
2. The above results have been reviewed by audit committee and approved by the Board of Directors at their meeting held on July 27, 2022, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The above results are being filed with BSE Limited and is also made available on the Company's website at www.finova.in.  
  
In compliance with Regulation 52 of SEBI LODR Regulations, a limited review of financial results for the quarter ended June 30, 2022 has been carried out by the Statutory Auditors.  
  
The figures for the quarter ended March 31, 2022 represent balancing figures between the audited figures for the year ended March 31, 2022 and year to date figures for the quarter ended December 31, 2021 which were subject to limited review by statutory auditors. The figures for the quarter ended June 30, 2021 is unaudited and not subject to limited review by auditors.
3. The Company operates in a single reportable segment i.e. lending to retail customers having similar risks and returns for the purpose of Ind AS 108 on "Operating Segments". The Company operates in a single geographic segment i.e. domestic.
4. During the period ended June 30, 2022, the company has issued 30,000 Series D-1 CCCPS of Rs. 100/- each (Rs/-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 May 20, 2022.
5. 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 June 30, 2022 and accordingly no amount is required to be transferred to impairment reserve.
6. 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 quarter ended June 30, 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 accounts 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 quarter ended June 30, 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   |



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- 7 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                     | June 30, 2022 | March 31, 2022 |
|---------------------------------|---------------|----------------|
| Number of accounts restructured | 79            | 80             |
| Amount (Rs. in Lakhs)           | 502.92        | 524.87         |

- 8 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 quarter ended June 30, 2022 for the restructured loans are given below:

| Sr No. | Particulars  | Individual Borrowers |                | Small Business* |
|--------|--|----------------------|----------------|-----------------|
|        |  | Personal Loans       | Business Loans |                 |
| (A)    | Number of requests received for invoking resolutions process                                       | 3                    | 4              | -               |
| (B)    | Number of accounts where resolution plan has been implemented under this window                    | 3                    | 4              | -               |
| (C)    | Exposure to accounts mentioned at (B) before implementation of the plan (amount)                   | 26.34                | 11.02          | -               |
| (D)    | Of (C), 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)             | 2.63                 | 1.10           | -               |

- 9 Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subjects to uncertainty and may be affected by severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial value of the financial assets, the financial position and performance of the Company.
- 10 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" on 15 February 2022, RBI allowed deferment till 30th September 2022 of Para 10f of this circular pertaining to upgrade of non performing accounts. However, the company has not opted for this deferment and such alignment does not have any significant impact on the financial results for the quarter ended June 30, 2022.
- 11 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the quarter ended June 30, 2022 is attached as Annexure.
- 12 All the secured, listed, Non- Convertible Debentures issued by the Company are secured by way of exclusive hypothecation of specified receivables 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.
- 13 The date on which the Code on Social Security, 2020 (the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.
- 14 The comparative for previous periods have been regrouped/ reclassified wherever necessary to conform to current period presentation.

Place: Mumbai  
Date: July 27, 2022



For and on behalf of Board of Directors  
Finova Capital Private Limited

Mohit Sahni  
(Managing Director & CEO)  
DIN : 07280918



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Annexure

Disclosures in compliance with Regulation 52(4) of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 for the quarter ended June 30, 2022 and year ended March 31, 2022

| S.No. | Particulars   | Description  | As at quarter ended<br>June 30, 2022<br>(unaudited) | As at year ended<br>March 31, 2022<br>(Audited) |
|-------|---|--|---|---|
| a)    | Debt Equity Ratio   | (Debt Securities + Borrowings) / (Equity Share Capital + Other Equity) | 0.66  | 0.70  |
| b)    | Debt service coverage ratio                                   |  | Not Applicable                                      | Not Applicable                                  |
| c)    | Interest service coverage ratio                               |  | Not Applicable                                      | Not Applicable                                  |
| d)    | Outstanding redeemable preference shares (quantity and value) |  | Not Applicable                                      | Not Applicable                                  |
| e)    | Capital redemption reserve/Debtenture redemption reserve      |  | Not Applicable                                      | Not Applicable                                  |
| f)    | Net worth (INR in Lakhs)                                      | Equity Share Capital + Other Equity                                    | 93,415.25   | 91,846.54                                       |
| g)    | Net profit after tax (INR in Lakhs)                           |  | 1,545.60  | 2,900.59  |
| h)    | Earnings per share  |  |   |   |
|       | Basic   |  | 8.76  | 19.69   |
|       | Diluted   |  | 8.44  | 19.13   |
| i)    | Current Ratio   |  | Not Applicable                                      | Not Applicable                                  |
| j)    | Long term debt to working capital                             |  | Not Applicable                                      | Not Applicable                                  |
| k)    | Bad debts to account receivable ratio                         |  | Not Applicable                                      | Not Applicable                                  |
| l)    | Current liability ratio                                       |  | Not Applicable                                      | Not Applicable                                  |
| m)    | Total Debts to Total Assets                                   | (Debt Securities + Borrowings) / Total Assets                          | 0.39  | 0.40  |
| n)    | Debtors Turnover  |  | Not Applicable                                      | Not Applicable                                  |
| o)    | Inventory Turnover  |  | Not Applicable                                      | Not Applicable                                  |
| p)    | Operating Margin(%)   |  | Not Applicable                                      | Not Applicable                                  |
| q)    | Net Profit Margin(%)  |  | Not Applicable                                      | Not Applicable                                  |
| r)    | Sector specific equivalent ratios, as applicable              |  |   |   |
| i)    | Gross Stage 3 Ratio   | Gross Stage 3 / Gross Loans  | 2.17%   | 1.81%   |
| ii)   | Net Stage 3 Ratio   | Net Stage 3 / Gross Loans  | 0.87%   | 1.06%   |
| iii)  | Asset coverage ratio  | Assets hypothecated/ outstanding debentures                            | 1.08 Times  | 1.11 times                                      |
| iv)   | Capital to Risk Weighted Assets Ratio (CRAR)                  |  | 80.85%  | 78.45%  |

Place: Mumbai  
Date: July 27, 2022



For and on behalf of Board of Directors  
Finova Capital Private Limited :

*Mohit Sahney*  
Mohit Sahney  
(Managing Director & CEO)  
DIN: 07280918

