

Independent Auditor's Report

To the Members of Capri Global Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Capri Global Capital Limited ('the Holding Company') and its subsidiary - Capri Global Housing Finance Limited (the Holding Company and its subsidiary together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of a subsidiary, the aforesaid consolidated 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2.5 for significant accounting policies and Note 40.2 for credit risk disclosures)	
<p>As at 31 March 2022, the Group has reported gross loan assets of ₹ 64,414.80 million against which an impairment loss of ₹ 1,706.77 million has been recorded. The Group recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'.</p> <p>The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to:</p> <ul style="list-style-type: none"> ➤ ensuring completeness and accuracy of the data used ➤ determining the criteria for a significant increase in credit risk ➤ factoring in future economic assumptions ➤ techniques used to determine probability of default, loss given default and exposure at default. <p>These parameters are derived from the Group's historical data.</p> <p>During the previous and current years, RBI announced various relief measures for the borrowers which were implemented by the Group such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the techniques adopted by the Group including the key inputs and assumptions. Since assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Group's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109 • Understanding management's updated processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 Regulatory Package. • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. Also evaluated the controls over the validation of data and related approvals. • Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard considering the impact of COVID-19 on account of moratorium and restructuring benefit extended by the Holding Company and the basis for classification of

<p>“Resolution Framework for COVID-19 related Stress” (the ‘Resolution Framework’) dated on 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.</p> <p>On the basis of an estimate made by the respective management of the entities included in the Group, an overlay to the tune of Rs 443.30 million has been recognized by the Group as at 31 March 2022 on account of increase in default risk due to the impact of COVID-19 on recoverability of loans of the Group. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Group periodically and significantly depend on future developments in the economy including expected impairment losses.</p> <p>Disclosure</p> <p>The disclosures regarding the Group’s application of Ind AS 109 are key to explaining the key judgements and material inputs to ECL computation. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus.</p> <p>Considering the significance of the above matter to the overall financial statements, additional complexities involved on account of ongoing impact of COVID-19 and extent of management’s estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.</p>	<p>various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);</p> <ul style="list-style-type: none"> • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others. • Verified that the Group’s approved policy in relation to moratorium and restructuring is in accordance with the RBI requirements. Evaluated that the restructuring was approved and implemented in accordance with such policy, and the provisions created on such restructured loan assets were in accordance with the Company’s policy. • Performed test of details over calculations of ECL, in relation to the completeness and accuracy of data. • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 40.2 “Credit risk” and ECL disclosed in the accompanying financial statements, including disclosure of key judgements and assumptions involved, in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
<p>Information Technology system for the financial reporting process</p>	
<p>The Group is highly dependent upon its information technology (IT) systems for carrying out its operations and processing significant volume of transactions, which impacts key financial accounting and reporting activities. The Group has put in place the IT General Controls and application controls to ensure that the information produced by the company complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity’s IT</p>	<p>Our audit procedures for assessment of the IT systems and controls with reference to financial statements, included but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit.

<p>systems for accounting and preparation and the presentation of the financial statements.</p> <p>Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the consolidated financial statements, we have determined the audit of IT systems and related control environment for accounting and financial reporting as a key audit matter.</p>	<ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit for evaluating completeness and accuracy; • Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data.
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Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Management and the Board of Directors. The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Management and the Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of respective Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors;
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

12. We communicate with those charged with governance of the Holding Company, 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

15. The consolidated financial statements include the audited financial statements of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 20,354.33 million as at 31 March, 2022, total revenue (before consolidation adjustments) of Rs. 2,204.36 million and net profit after tax (before consolidation adjustments) of Rs. 431.77 million and net cash inflows of Rs. 2,146.43 million for the year ended on that date, as considered in the consolidated financial statements, which has been audited by its independent auditor. The independent auditor's report on the financial statements of this entity has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

16. The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, Chartered Accountants who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 17 June 2021, and which has been relied upon by us for the purpose of our audit of the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and the report of the statutory auditor of a subsidiary company incorporated in India which was not audited by us, we report that the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

Report on Other Legal and Regulatory Requirements (*Continued*)

18. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.
19. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary, as noted in 'other matters paragraph', we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 49 to the consolidated financial statements;

Report on Other Legal and Regulatory Requirements (*Continued*)

- ii. The Group did not have any material foreseeable losses, on long-term contracts including derivative contracts during the year ended 31 March 2022;
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2022;
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement
- v. The dividend declared during the year ended 31 March 2022 by the Holding Company is in compliance with section 123 of the Act.

For **M M Nissim & Co LLP**

Chartered Accountants

Firm's Registration No: 107122W/W100672

SD/-

Sanjay Khemani

Partner

Membership No. 044577

UDIN: 22044577AJJZNF5940

Mumbai

21 May 2022

Annexure I

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the consolidated financial statements of Capri Global Capital Limited ('the Holding Company') and its subsidiary (collectively referred as 'Group') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company, which is the company covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

Annexure I to the Independent Auditor's Report of even date to the members of Capri Global Capital Limited on the consolidated financial statements for the year ended 31 March 2022

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements (*Continued*)

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements includes obtaining an understanding of such internal financial controls with reference to the consolidated 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 consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in the subsidiary company in terms of their reports referred to in the other matters below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements include 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 the consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements

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

Annexure I to the Independent Auditor's Report of even date to the members of Capri Global Capital Limited on the consolidated financial statements for the year ended 31 March 2022

Opinion

8. In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to the consolidated financial statements criteria established by such Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For M M Nissim & Co LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

SD/-

Sanjay Khemani

Partner

Membership No. 044577

UDIN: 22044577AJJZNF5940

Mumbai

21 May 2022

CAPRI GLOBAL CAPITAL LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in millions)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	3,225.06	1,705.80
(b) Bank Balances other than cash and cash equivalents	4	306.15	536.68
(c) Receivables	5	81.64	15.08
(d) Loans	6	62,708.03	46,862.55
(e) Investments	7	3,774.84	8,074.53
(f) Other financial assets	8	222.14	113.14
Total Financial Assets		70,317.86	57,307.78
(2) Non-financial Assets			
(a) Current Tax Assets (Net)	9	100.38	82.63
(b) Deferred tax assets (Net)	10	366.83	257.29
(c) Investment Properties	11	-	6.67
(d) Property, plant and equipment		318.02	254.61
(e) Intangible Assets Under Development	12	23.20	0.70
(f) Other intangible assets		25.66	16.81
(g) Other non-financial assets	13	375.74	204.34
Total Non-Financial Assets		1,209.83	823.05
Total Assets		71,527.69	58,130.83
EQUITY AND LIABILITIES			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative financial instruments	16A	12.42	-
(b) Payables			
(A) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		1.75	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		333.10	74.94
(B) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		78.25	72.27
(c) Debt Securities	15	4,330.90	6,741.30
(d) Borrowings (Other than Debt Securities)	16B	43,752.97	30,994.57
(e) Other Financial liabilities	17	3,508.81	2,776.54
Total Financial Liabilities		52,018.20	40,659.62
(2) Non-financial Liabilities			
(a) Current tax liabilities (net)	18	27.89	148.86
(b) Provisions	19	166.19	125.67
(c) Other non-financial liabilities	20	90.70	23.67
Total Non-Financial Liabilities		284.78	298.20
Total Liabilities		52,302.98	40,957.82
(3) Equity			
(a) Equity Share Capital	21	351.31	350.57
(b) Other Equity	22	18,873.40	16,822.44
Total Equity		19,224.71	17,173.01
Total Equity and Liabilities		71,527.69	58,130.83

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For M M Nissim & Co LLP
Chartered Accountants
(Firm's Registration No. 107122W/W100672)



Saniav Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors


(Rajesh Sharma)
Managing Director &
Chief Financial Officer
DIN 00020037


(Beni Prasad Rauka)
Independent Director
DIN 00295213


(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

CAPRI GLOBAL CAPITAL LIMITED**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in millions)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
(i) Interest income	23	8,395.78	6,735.21
(ii) Dividend income		1.23	1.18
(iii) Fee and commission income	24	506.77	20.74
(iv) Net Gain on Derecognition of Financial Instrument		170.01	-
(v) Net gain on fair value changes	25	236.17	288.23
(vi) Sale of Service		137.06	-
(vii) Other operating income	26	242.85	315.47
(I) Total Revenue from operations		9,689.87	7,360.83
(II) Other Income	27	128.00	10.54
(III) Total Income (I + II)		9,817.87	7,371.37
Expenses			
(i) Finance costs	28	3,308.47	2,887.05
(ii) Fees and commission Expense		190.79	-
(iii) Impairment of financial instruments (Expected Credit Loss)	29	1,056.68	544.68
(iv) Employee benefit expenses	30	1,746.04	993.79
(v) Depreciation and amortisation expense	12	98.77	105.11
(vi) Other expenses	31	690.89	483.61
(IV) Total Expenses		7,091.64	5,014.24
(V) Profit before tax (III- IV)		2,726.23	2,357.13
Tax Expense:			
- Current tax	35	779.55	693.03
- Deferred tax	36	(109.53)	(105.45)
- Tax Pertaining to earlier years		5.80	-
(VI) Total tax expense		675.82	587.58
(VII) Net Profit After Tax (V - VI)		2,050.41	1,769.55
(VIII) Other Comprehensive Income	32		
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(0.47)	6.27
Income Tax impact on above		0.12	(1.56)
Total (A)		(0.35)	4.71
(B) Items that will be reclassified to profit or loss			
Fair Value Gain on time value of forward element of forward contract in hedging relationship		(6.10)	-
Income Tax impact on above		1.53	-
Total (B)		(4.57)	-
Other Comprehensive Income (A) + (B)		(4.92)	4.71
(IX) Total Comprehensive Income (VII + VIII)		2,045.49	1,774.26
(X) Earnings per equity share (of ₹ 2 Each)			
Basic (₹)		11.69	10.10
Diluted (₹)		11.56	10.03

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached**For M M Nissim & Co LLP**

Chartered Accountants

(Firm's Registration No. 107122W/W100672)


**Sanjay Khemani**

Partner

Membership No. 044577

For and on behalf of the Board of Directors


(Rajesh Sharma)
Managing Director &
Chief Financial Officer
DIN 00020037



(Beni Prasad Rauka)
Independent Director
DIN 00295213



(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai

Date: May 21, 2022

Place: Mumbai

Date: May 21, 2022

CAPRI GLOBAL CAPITAL LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

		(₹ in millions)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021	
Cash Flow From Operating activities			
Profit before tax from continuing operations	2,726.23	2,357.13	
Adjustments for:			
Depreciation & amortisation	98.77	105.11	
Impairment on financial instruments	1,056.68	607.01	
Net gain on fair valuation of financial instruments	(236.17)	(288.23)	
Net gain on derecognition of financial instruments	(170.01)	-	
Loss/(Gain) on sale of fixed assets	(0.73)	0.21	
Loss/(Gain) on sale of Investment Property	(2.93)	-	
Gain on sale of Investments	-	-	
Share Based Payments to employees	54.78	25.45	
Dividend income	(1.23)	(1.19)	
Fair value of derivative	(4.30)	-	
Interest on lease liability	26.12	25.56	
Interest income	(8,395.78)	(6,735.23)	
Finance cost	3,308.47	2,887.05	
Interest received	8,285.99	6,632.39	
Interest Paid	(3,434.45)	(2,545.84)	
Operating profit before working capital changes	3,311.44	3,069.42	
Working capital changes			
Loans	(16,701.66)	(8,124.83)	
Trade receivables & other financial assets	(48.76)	(49.32)	
Other non-financial assets	(175.79)	(30.24)	
Trade payables	261.31	3.03	
Other financial liability	817.09	2,537.62	
Other non-financial liability	67.02	14.02	
Provision	(15.11)	46.85	
Cash flows (used in)/generated from operating activities	(12,484.46)	(2,533.45)	
Income tax paid	(922.41)	(652.48)	
Net cash flows (used in)/generated from operating activities	(13,406.87)	(3,185.93)	
Cash Flow From Investing activities			
Increase/(decrease) in Fixed deposits not considered as cash and cash equivalent	235.35	(417.50)	
Purchase of fixed and intangible assets	(106.55)	(64.25)	
Intangible Assets Under Development	(11.70)	1.28	
Proceeds from sale of property and equipment	3.98	2.73	
Sale/(Purchase) of investment in Mutual Funds (net)	2,329.16	(529.43)	
Proceeds from Sale of investment	3,228.62	-	
Purchase of investment	(1,018.59)	(3,649.61)	
Dividend received	1.23	1.18	
Proceeds from sale of Investment Properties	5.01	2.15	
Net cash flows (used in)/generated from investing activities	4,666.51	(4,653.45)	
Cash Flow From Financing activities			
Debt securities Issued	-	5,250.00	
Debt securities Redeemed	(2,416.67)	-	
Proceed from Borrowings other than debt securities	18,640.00	14,810.00	
Repayment of Borrowings other than debt securities Repaid	(6,514.25)	(11,078.76)	
Other short term loan (net)	654.26	-	
Payments for the principal portion of the lease liability	(33.59)	(19.83)	
Payments for the interest portion of the lease liability	(26.12)	(25.56)	
Dividends paid	(70.14)	(35.04)	
Issue of Equity Share	26.29	21.09	
Net cash flows (used in)/generated from financing activities	10,259.78	8,921.90	
Net increase in cash and cash equivalents	1,519.42	1,082.52	
Cash and cash equivalents at April 1, 2021	1,706.02	623.50	
Cash and cash equivalents at March 31, 2022	3,225.44	1,706.02	
Components of cash and cash equivalents			
Cash on hand	14.88	14.75	
Cheques on Hand	8.81	-	
Balances with banks			
In current accounts	1,101.54	1,691.05	
In Unpaid Dividend Account	0.21	0.22	
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	2,100.00	-	
Total cash and cash equivalents	3,225.44	1,706.02	

- Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
- Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.
- Figures in brackets represent outflows.

In terms of our report attached
For M M Nissim & Co LLP
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sanjay Khemani

Sanjay Khemani
Partner
Membership No. 044577

M M NISSIM & CO LLP
FRN: 107122W/W100672
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Rajesh Sharma *Beni Prasad Rauka*

(Rajesh Sharma) **(Beni Prasad Rauka)**
Managing Director & Chief Financial Officer
DIN 00020037
Independent Director
DIN 00295213

Yashesh Bhatt

(Yashesh Bhatt)
Company Secretary
ACS-20491

CAPRI GLOBAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(1) Current year		₹ in millions	
	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2021	Balance as at March 31, 2022
Balance as at April 01, 2021	350.57	350.57	351.31
		0.74	
(2) Previous year		₹ in millions	
	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2020	Balance as at March 31, 2021
Balance as at April 01, 2020	350.27	350.27	350.57
		0.30	

B. OTHER EQUITY

Particulars	Reserves and Surplus					Other Comprehensive Income			Total
	General Reserve	Securities Premium	Retained Earnings	Employees Share Option Outstanding	Statutory Reserve pursuant to Section 45-1C of the RBI Act, 1934	Statutory Reserve under Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (gratuity - OCI)	Hedging Reserve (Forward Contract - OCI)	
Balance as at April 1, 2020	642.05	4,471.01	7,656.42	57.92	2,120.04	91.10	3.04	-	15,041.58
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	642.05	4,471.01	7,656.42	57.92	2,120.04	91.10	3.04	-	15,041.58
Profit for the year	-	-	1,769.55	-	-	-	1,769.55	-	1,769.55
Other Comprehensive Income / (losses)	-	-	(35.04)	-	-	-	4.71	-	4.71
Dividends	-	-	-	-	-	-	-	-	(35.04)
Transfer from retained earnings	-	-	-	-	-	-	-	-	(355.12)
Addition during the year	-	20.79	-	20.85	287.92	67.20	-	-	395.76
Balance as at March 31, 2021	642.05	4,491.80	9,035.81	78.77	2,407.96	158.30	7.75	-	16,822.44
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	642.05	4,491.80	9,035.81	78.77	2,407.96	158.30	7.75	-	16,822.44
Profit for the year	-	-	2,050.41	-	-	-	(0.36)	-	2,050.41
Other Comprehensive Income / (losses)	-	-	(70.14)	-	-	-	-	(4.57)	(70.14)
Dividends	-	-	-	-	-	-	-	-	(410.17)
Transfer from retained earnings	-	-	-	-	-	-	-	-	-
Addition during the year	-	49.34	(410.17)	-	-	86.40	-	-	-
Balance as at March 31, 2022	642.05	4,541.14	10,605.91	105.05	2,731.73	244.70	7.39	(4.57)	18,873.40

In terms of our report attached
For M M Nissim & Co LLP
Chartered Accountants

(Firm's Registration No. 107122W/W100672)



For and on behalf of the Board of Directors

(Signature)

(Rajesh Sharma)
Managing Director &
Chief Financial Officer
DIN: 0020037

(Beni Prasad Rauka)
Independent Director
DIN: 00295213

Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

(Signature)
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

CAPRI GLOBAL CAPITAL LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Capri Global Capital Limited ("the Company/Holding Company") having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Holding Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469. Capri Global Housing Finance Limited (the Subsidiary Company) holds registration certificate No. 07.0139.16 with National Housing Bank under section 29A of the National Housing Bank Act, 1987 dated 18th July 2016 and is engaged in the business of providing loans primarily to customers for purchase / construction / repair and renovation of residential property.

The consolidated financial statements relate to the Holding Company and its Subsidiary Company (together regrouped as the "Group").

The Consolidated financial statements for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the board of directors on May 21, 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the holding and its subsidiary (together the "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 2.14 - Significant accounting judgements, estimates and assumptions.

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

2.2. Presentation of financial statement

The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

2.3. Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.4 Basis of Consolidation

(i) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country of Incorporation	Ownership held by	% of holding and voting power	
				As at March 31, 2022	As at March 31, 2021
Capri Global Housing Finance Limited	Subsidiary	India	Capri Global Capital Limited	100%	100%

(ii) Principles of Consolidation:

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110 - "Consolidated Financial Statements" notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The consolidated financial statements have been prepared on the following basis:

a) The financial statements of Group have been combined on a line by line basis of like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements as at March 31, 2022.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiary with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.



c) Elimination of the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.

d) The financial statements of the subsidiary used in consolidation are drawn up to the same reporting date as that of the Holding Company i.e. year ended March 31, 2022.

2.5 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet on trade date, i.e. when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss. Trade Receivables are measured at transaction price.

(i) Classification of financial instruments

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

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

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprises of bank balances, receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

(iv) Debt securities and other borrowed funds

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



(v) Reclassification

If the business model under which the Group holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities and borrowings are initially recognised when funds are received by the Group.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, the Group has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

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

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, 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), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs), Construction Finance, Indirect Lending and Housing Finance.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.



Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances up to 30 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31 to 90 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. More than 90 days Past Due is considered as default for classifying a financial instrument as credit impaired.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Group calculates ECLs based on historical experience 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 the Group in accordance with the contract and the cash flows that the Group expects to receive.

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

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

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

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure including interest accrued thereon and also including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, Group repossess assets under SARFASI/ arbitration Act, but do not transfer these assets in its book of accounts. The Group continues to show these loans account as Non-Performing Assets (NPA) in the books, till the liquidation of the secured assets through public auction and realise actual payment against these loans.

(viii) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note) at fair value on each balance sheet date.

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In the cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

2.6 Revenue from operations

(i) Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the Group applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

- As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset
- By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows
- Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation.

The Group recognises Fees & Commission Income based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation. Fees for sale of services are accounted as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

Revenue from contracts with customers for sale of service is recognised when the services are transferred to customer at an amount that reflects the consideration that the Group expects to be entitled in exchange for those services. All fees are recognised when reasonable right of recovery is established, revenue can be reliably measured and as and when they become due.



(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Group on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(V) Loan Processing Fees

Loan processing fees is collected towards processing of loan, is amortised on EIR basis over the expected tenure of the loan for MSME and Housing Finance and over the contractual tenure of the loan for Construction finance and Indirect lending.

2.7 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Group who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. 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'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group fully contributes all ascertained liabilities to the Gratuity Fund created for the said purpose. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.



(iii) Leases

The Group leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses.

The Group assesses whether a contract contains a lease at the inception of the 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 Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

(iv) Other income and expenses

All Other income and expense are recognized on accrual basis in the period they occur.

(v) 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 recognized 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.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.



2.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.10 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.11 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and 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.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.12 Contingent Liabilities

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

2.13 Earning Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.



2.14 Significant accounting judgements, estimates and assumptions

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 period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

- (i) **Defined employee benefit assets and liabilities** - Refer 2.7(ii)
- (ii) **Impairment of loans portfolio** - Refer 2.5(vii)
- (iii) **Effective Interest Rate (EIR) method** - Refer 2.6(i) and 2.7(i)
- (iv) **Lease accounting** - Refer 2.7(iii)
- (v) **Impairment test of non-financial assets** - Refer 2.7(v)
- (vi) **Useful life of property, plant, equipment and intangibles** - Refer 2.9 & 2.10
- (vii) **Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions** - Refer 2.7(vi)
- (viii) **Recognition and Measurement of Provision and Contingencies** - Refer 2.11 and 2.12
- (ix) **Determination of the fair value of financial instruments** - Refer 2.5(ix)
- (x) **Business Model Assessment** - Refer 2.5(i)

2.15 Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Group is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.



Note 3 - Cash and cash equivalents

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	14.89	14.75
Cheques on hand	8.81	-
Balances with banks:		
- in current accounts	1,101.36	1,691.05
- In Deposit accounts with original maturity of 3 months or less	2,100.00	-
Total	3,225.06	1,705.80

Note 4 - Bank balances other than cash and cash equivalents

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
- Original Maturity more than 3 months	305.94	536.46
- Unclaimed Dividend Account	0.21	0.22
Total	306.15	536.68

Out of the above ₹ 184.60 Millions (March 31, 2021 - ₹ 185.67 Millions) balance in deposit accounts with banks are being earmarked towards Borrowings from National Housing Bank.

Balance in deposit accounts with banks are being earmarked towards Overdraft facilities and against Customer Advance.

Deposits are made for varying period from 7 days to 10 years and earn interest at the respective fixed rate.

Note 5 - Receivables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good		
- Outstanding for a period exceeding six months from the due date of payment of payment	-	-
- Outstanding for a period less than six months	81.64	15.08
Total	81.64	15.08

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Group has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Ageing schedule**(1) Current year**

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	81.64	-	-	-	-	81.64
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

(2) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	15.03	0.04	0.01	-	-	15.08
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-



Note 6 - Loans

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
	Total	Total
Secured (Amortised Cost)		
Term Loans	64,413.67	48,005.46
Unsecured (Amortised Cost)		
Loan to employees	1.13	1.19
Total – Gross (A)	64,414.80	48,006.65
Less : Expected Credit Loss	(1,706.77)	(1,144.10)
Total – Net (A)	62,708.03	46,862.55
(a) Secured by Tangible Assets	61,291.34	44,924.87
(b) Secured by Book Debts	3,122.33	3,080.59
(c) Unsecured	1.13	1.19
Total - Gross (B)	64,414.80	48,006.65
Less : Expected Credit Loss	(1,706.77)	(1,144.10)
Total - Net (B)	62,708.03	46,862.55
Loans in India		
i) Public Sector	-	-
ii) Others	64,414.80	48,006.65
Total - Gross (C)	64,414.80	48,006.65
Less: Expected Credit Loss	(1,706.77)	(1,144.10)
Total - Net (C)	62,708.03	46,862.55

Note 1 - The Group's business model is to Collect contractual cash flows, being the payment of Principal and Interest, accordingly the loans are measured at amortised cost.

Note 2 - Underlying for the term loans secured by tangible assets are properties.

Note 3 - The Group does not have any loans outside India.



Note 7 - Investments

(₹ in millions)

Investments	As at March 31, 2022			As at March 31, 2021		
	At Fair Value Through profit and loss	At Amortized Cost	Total	At Fair Value Through profit and loss	At Amortized Cost	Total
Investments in Mutual funds	2,304.43	-	2,304.43	4,394.08	-	4,394.08
Investments in Commercial Paper	-	-	-	-	959.13	959.13
Investments in Debt Securities	-	-	-	-	-	-
- Debt Instrument	-	247.66	247.66	-	952.76	952.76
- Pass Through Certificates	-	1,174.64	1,174.64	-	1,729.83	1,729.83
Investments in Equity Instruments	48.11	-	48.11	38.73	-	38.73
Total - Gross (A)	2,352.54	1,422.30	3,774.84	4,432.81	3,641.72	8,074.53
I) Investments outside India	-	-	-	-	-	-
II) Investments in India	2,352.54	1,422.30	3,774.84	4,432.81	3,641.72	8,074.53
Total (B)	2,352.54	1,422.30	3,774.84	4,432.81	3,641.72	8,074.53

Particulars	As at March 31, 2022 Numbers/Units	As at March 31, 2021 Numbers/Units
Investment in Equity		
1. Equity Shares of CARE Ratings Limited of Rs.10/- each fully paid up	94,242.00	94,242.00
Investment in Mutual Funds		
1. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	92,90,561.00	74,90,392.66
2. ICICI Pru. Floating Interest Fund -Direct Growth	-	9,18,910.39
3. HDFC Low Duration Fund Direct Growth	-	3,76,034.86
4. Aditya Birla Sun Life Banking & PSU Debt Fund - DG	-	6,93,806.12
5. Nippon India Floating Rate Fund - DG	-	83,80,194.95
6. HDFC Corporate Bond Fund	-	2,02,54,665.89
7. Aditya Birla Sun Life Savings Fund - DG	6,76,389.73	1,88,159.74
8. HDFC Ultra Short Term Fund	-	83,84,762.47
9. ICICI Prudential Money Market Fund Regular Growth	1,98,269.03	-
10. ICICI Prudential Money Market Fund Direct Growth	16,29,143.98	-
11. Nippon India Money Market Fund Direct Growth	1,85,170.45	-
12. Aditya Birla Sun Life Money Manager Fund - Direct Growth	6,69,388.31	-
13. Aditya Birla Sun Life Liquid Fund - Direct Growth	5,83,099.82	-
14. Nippon Indian Liquid Fund Direct Growth	38,439.85	-
15. ICICI Prudential Liquid Fund	-	2,02,667.70
16. Kotak Short term Fund	-	34,57,849.03
17. Aditya Birla Sunlife Liquid Fund	-	1,50,823.16
18. Baroda Liquid Fund	-	12,689.66
19. ICICI Prudential Liquid Fund	-	3,28,174.61
20. Kotak Liquid Fund	-	36,072.83
21. SBI Liquid Fund	-	31,046.09
22. UTI Liquid Fund	-	23,852.06
23. Aditya Birla Sunlife Money Manager Fund	-	13,95,891.84
24. UTI Money Market Fund	-	1,25,600.20
25. Nippon India Money Market Fund	-	1,24,459.18
26. ICICI Prudential Ultra Short Fund	-	87,83,819.42
27. Axis Ultra Short Fund	-	75,76,459.83
28. ICICI Prudential Savings Fund	-	5,74,082.59
29. Kotak Low Duration Fund	-	36,052.05
30. Aditya Birla Sunlife Floating Rate Fund	-	4,83,024.04
31. ICICI Prudential Floating Interest Fund	-	3,10,073.14
Investment in Bonds		
1. Aditya Birla Finance Limited SR PPMLD K1 BR NCD 04MY21 FVRS10LAC	-	130.00
2. 8.50% Shriram Transport Finance Co. Ltd - SR-D-14 8.5 NCD 16AG21 FVRS10LAC	-	150.00
3. 8.85% Shriram Transport Finance Co. Ltd - SR-D-11 8.85 NCD 03AG21 FVRS10LAC	-	40.00
4. Shriram City Union Finance Co. Ltd - SR I TR I 9.55 NCD 30AP21 FVRS1000	-	3,50,000.00
5. Shriram Transport Finance Co. Ltd - SR F-16 OPT I NCD 31MY21 FVRS10LAC	-	200.00
6. Edelweiss Financial Services Ltd - 11 NCD 05OCT23 FVRS10LAC	250.00	-
Investment in Commercial Papers		
1. ADANI ENTERPRISES LIMITED - 181D CP 23SEP21	-	1,000.00
2. ADANI ENTERPRISES LIMITED - 185D CP 06SEP21	-	1,000.00
Investment in Pass Through Certificates		
1. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A1 PTC 01MR19	-	1,750.00
2. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A2 PTC 01MR19	2,318.00	2,318.00



Note 8 - Other Financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	32.30	23.43
Interest Accrued but not due on Commercial Papers	-	3.68
Interest Accrued but not due on Debt Instruments	2.03	43.06
Interest Accrued but not due on PTC	6.08	-
Receivable on sale of Investment Equity share	-	27.50
Spread receivable on assigned portfolio	168.45	-
Advertisement Income Receivable	11.62	14.99
Other Receivable	1.66	0.48
Total	222.14	113.14

Note 9 - Current Tax Assets (Net)

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax	100.38	82.63
[net of provision for tax of ₹ 3,129.87 Millions (March 31, 2021 ₹ 1,896.46 Millions)]		
Total	100.38	82.63

Note 10 - Deferred Tax Assets

The major components of deferred tax assets and liabilities are :

(₹ in millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
a) Depreciation	24.25	-	22.95	-
b) Provision for Employee Benefits	15.21	-	12.63	-
c) Unmortised fees on borrowings	-	1.38	-	4.36
d) Impairment allowance for financial assets	359.08	-	195.69	-
e) Unmortised fees on loans	4.20	-	13.75	-
f) MAT Credit Entitlement	-	-	8.08	-
g) Financial Instruments at FVTPL	0.75	-	-	3.81
h) Others	7.12	-	12.36	-
i) Gain on derecognition of financial instruments	-	42.40	-	-
Total	410.61	43.78	265.46	8.17
Net Deferred tax assets		366.83		257.29

Note 11 - Investment Properties

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021*
Investment Properties	-	6.67
Total	-	6.67

(₹ in millions)

Cost or Deemed Cost	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	6.67	8.82
Additions during the year	-	-
Disposals	2.21	2.15
Transferred to Assets held for sale	4.46	-
Balance at the end of the year	-	6.67

* Investment Properties are in the nature of freehold properties and fair value of the properties is ₹ 25.19 millions as on March 31, 2021

Note 13 - Other Non-Financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	156.95	148.06
Less: Provision on Capital Advances	(3.71)	(3.71)
Net Capital Advances	153.24	144.35
Assets Held for sale	47.44	48.24
Less: Provision on Assets held for sale	(42.98)	(44.48)
Net Assets Held for Sale	4.46	3.76
Prepaid expenses	35.33	24.04
Accrued Income	170.46	8.61
Deferred lease rentals	-	9.65
GST Input Credit	-	0.47
Advance to vendor	7.59	11.91
Other Assets	4.66	1.55
Total	375.74	204.34



Note 12 - Property, plant and equipment & Intangible Assets

Current Year:

Property, plant and equipment :

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	For the Year	Deductions	As at March 31, 2022	As at March 31, 2021
Buildings :								
Buildings	2.70	-	-	2.70	0.11	-	2.10	2.21
Leasehold Premises	22.85	-	-	22.85	1.81	-	5.20	7.01
Computer Hardware	91.67	51.92	14.76	128.83	20.80	13.89	46.55	16.30
Furniture and Fixtures	50.31	1.52	2.46	49.37	4.25	1.80	12.89	16.28
Office Equipments	33.22	3.96	3.75	33.43	2.54	3.47	6.01	4.87
Vehicles	61.40	9.88	8.58	62.70	6.04	5.41	20.05	19.38
Electrical Installation	9.94	-	0.12	9.82	0.74	0.09	2.15	2.92
Right of Use	296.79	93.90	37.75	352.94	42.82	24.10	223.07	185.64
Total	568.88	161.18	67.42	662.64	79.11	48.76	318.02	254.61

Intangible Assets under development:

Particulars	GROSS AMOUNT		
	As at April 01, 2021	Additions	As at March 31, 2022
Software	0.70	23.52	23.20
Total	0.70	23.52	23.20

Intangible assets :

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	For the Year	Deductions	As at March 31, 2022	As at March 31, 2021
Software	78.74	28.48	-	107.22	19.63	-	25.66	16.81
Total	78.74	28.48	-	107.22	19.63	-	25.66	16.81



Previous Year:

Property, plant and equipment

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Buildings :								
Buildings	2.70	-	-	2.70	0.11	-	2.21	2.32
Leasehold Premises	22.85	-	-	22.85	2.45	-	7.01	9.46
Computer Hardware	88.01	11.08	7.42	91.67	10.39	7.03	16.30	16.00
Furniture and Fixtures	48.59	1.86	0.14	50.31	5.43	0.08	16.28	19.91
Office Equipments	32.35	1.50	0.63	33.22	3.14	0.56	4.87	6.58
Vehicles	55.57	6.93	1.10	61.40	6.93	0.37	19.38	20.11
Electrical Installation	9.91	0.03	-	9.94	1.02	-	2.92	3.91
Right of Use	273.24	23.55	-	296.79	54.95	-	185.64	217.04
Total	533.22	44.95	9.29	568.88	84.42	8.04	254.61	295.33

Intangible Assets under development:

Particulars	GROSS AMOUNT		
	As at April 01, 2020	Additions	As at March 31, 2021
Software	1.98	6.67	0.70
Total	1.98	6.67	0.70

Intangible assets :

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Software	59.43	19.31	-	78.74	20.68	-	16.81	18.18
Total	59.43	19.31	-	78.74	20.68	-	16.81	18.18



Note 14 - Payables**Trade Payables**

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises*	1.75	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	333.10	74.94
Total	334.85	74.94

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
1) Principal amount due and remaining unpaid	1.75	-
2) Interest due on (1) above and the unpaid interest	-	-
3) Interest paid on all delayed payment under the MSMED Act	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay other than (3) above	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-
Total	1.75	-

Ageing schedule**(1) Current year**

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.75	-	-	-	1.75
(ii) Others	325.10	6.21	0.24	1.55	-	333.10
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

(1) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	63.08	6.46	1.60	0.46	3.34	74.94
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

Other Payables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Employee Benefit Expense	78.25	72.27
Total	78.25	72.27

(1) Current year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	-	78.20	0.05	-	-	78.25

(2) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	-	64.35	6.40	0.74	0.78	72.27



Note 15 - Debt securities

(₹ in millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	At Amortised Cost	Total	At Amortised Cost	Total
Non-Convertible debentures	4,330.90	4,330.90	6,741.30	6,741.30
Total (A)	4,330.90	4,330.90	6,741.30	6,741.30
Debt securities in India	4,330.90	4,330.90	6,741.30	6,741.30
Debt securities outside India	-	-	-	-
Total (B)	4,330.90	4,330.90	6,741.30	6,741.30

Terms of repayment, nature of security & rate of interest in case of Non Convertible Debenture.

(₹ in millions)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2022	As at March 31, 2021
Series 4 (FV ₹10 Lacs)	09-08-2029	Bullet payment on maturity	10.23%	1,500.00	1,500.00
Series 8 (FV ₹10 Lacs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	333.33	500.00
Series 6 (FV ₹10 Lacs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	500.00
Series 5 (FV ₹10 Lacs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	2,000.00
Series 9 (FV ₹10 Lacs)	04-02-2022	Bullet payment on maturity	8.35%	-	1,500.00
Series 7 (FV ₹10 Lacs)	16-01-2022	Bullet payment on maturity	8.25%	-	500.00
Series 1 (FV ₹10 Lacs)	28-01-2022	Bullet payment on maturity	8.00%	-	250.00
Total (A)				4,333.33	6,750.00
Less : Unamortised borrowing cost (B)				(2.43)	(8.70)
Total (A+B)				4,330.90	6,741.30

Disclosure under regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**Debenture Trustees:**

Catalyst Trusteeship Limited
604, Windsor, Off CST Road,
Kalina, Santacruz East,
Mumbai - 400098.
Contact : + 91 (022) 49220555

Disclosure under regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**Related party transaction** - Refer Note 42**Disclosure under regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:****Asset Cover**

The above NCD's are secured against first pari-passu charge by way of hypothecation on the immovable property, loan receivables/book debts, bank balances and investments of the Group with asset cover range of 1.25 to 1.33 times.



Note 16A - Derivative financial instruments

(₹ in millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Notional Amounts *	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives:						
-Forwards	6,129.62	-	12.42	-	-	-
Total Derivative Financial Instruments	6,129.62	-	12.42	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cashflow Hedging:						
-Currency Derivatives : Forwards	6,129.62	-	12.42	-	-	-
Total Derivative Financial Instruments	6,129.62	-	12.42	-	-	-

* Notional amount of the respective currency has been converted as at March 31,2022 exchange rate.



Note 16B - Borrowings (Other Than Debt Securities) - At Amortised Cost

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans from Banks*	37,017.16	26,314.10
Term Loans from others**	6,034.26	4,633.16
Unsecured		
Loan from Director	-	0.02
Loan Repayable on Demand		
From Banks (Cash Credit)	701.55	47.29
Total (A)	43,752.97	30,994.57
Borrowings in India	43,752.97	30,994.57
Borrowings outside India	-	-
Total (B)	43,752.97	30,994.57

* Exclusive charge by way of hypothecation of Group's loan receivables, bank balances with asset cover of 1.20 times in favour of borrowing from SBI of ₹ 1,640.80 millions.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balances and investments with asset cover of 1.10 to 1.33 times.

** Exclusive charge by way of hypothecation of Group's loan receivables with minimum assets cover of 1.25 times in favour of borrowing from NABARD of ₹ 3,600 millions and asset cover of 1.25 to 1.35 times in favour of borrowing from NHB of ₹ 1,546.76 millions.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balance and investments with asset cover in the range of 1.15 to 1.33 times.

Terms of repayment & rate of interest in case of Borrowings (Other than Debt Securities)

(₹ in millions)

Nature of Facility	Maturity Range	Interest Range	As at March 31, 2022	As at March 31, 2021
Term Loans	0-3 yrs	7.50% - 9.50%	5,770.10	2,707.64
Term Loans	3-5 yrs	7.50% - 9.50%	17,623.69	17,316.58
Term Loans	5-7 yrs	7.50% - 9.50%	16,561.00	7,694.94
Term Loans	Beyond 7 years	7.50% - 9.50%	1,749.99	1,499.99
Refinance from NHB	0-3 yrs	3% - 6.50%	347.20	-
Refinance from NHB	3-5 yrs	3% - 6.50%	4.85	473.60
Refinance from NHB	5-7 yrs	3% - 6.50%	795.91	1,007.81
Refinance from NHB	Beyond 7 years	3% - 6.50%	398.80	466.75
Total (A)			43,251.54	31,167.31
Less : Unamortised borrowing cost (B)			(200.10)	(220.05)
Total (A+B)			43,051.44	30,947.26



Note 17 - Other Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Book Overdraft	2,817.52	2,008.13
Unclaimed dividend	0.21	0.22
Margin money received from Customer	139.98	179.81
Advances from customers	1.55	3.29
Lease Liability	248.20	211.74
Interest Accrued but not due on borrowings	238.17	372.98
Other Financial Liabilities	63.18	0.37
Total	3,508.81	2,776.54

Note 18 - Current Tax Liabilities (Net)

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax	27.89	148.86
[net of advance tax of ₹ 740.87 Millions (March 31, 2021 ₹ 1,131.56)]		
Total	27.89	148.86

Note 19 - Provisions

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision on non-fund exposure	93.76	38.61
Provision for Interest on Interest Waiver	-	34.39
Provision for employee benefits		
- Gratuity	13.15	6.38
- Compensated Absences	59.28	46.29
Total	166.19	125.67

Note 20 - Other Non - financial liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Remittances	90.70	23.67
Total	90.70	23.67



Note 21 - Equity Share Capital

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
36,00,00,000 Equity Shares of ₹ 2 each	720.00	720.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)		
	720.00	720.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,56,54,055 Equity Shares of ₹ 2 each	351.31	350.57
(Previous Year 17,52,85,355 Equity Shares of ₹ 2 each)		
	351.31	350.57

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount (₹ in millions)	Number	Amount (₹ in millions)
Equity shares outstanding as at the beginning of the year	17,52,85,355	350.57	17,51,34,805	350.27
Issued during the year	3,68,700	0.74	1,50,550	0.30
Equity shares outstanding as at the end of the year	17,56,54,055	351.31	17,52,85,355	350.57

During the year the Holding Company has allotted 3,68,700 equity shares of ₹ 2/- each for consideration of ₹ 21.60 Millions as ESOPs. In previous year the Holding Company had allotted 1,50,550 equity shares of ₹ 2/- each for consideration of ₹ 11.38 Millions as ESOPs.

During the period of five years immediately preceding the Balance Sheet date, the Holding Company has not issued any shares without payment being received in cash or by way of bonus shares. Further there have been no shares bought back.

Details of shareholders holding more than 5 percent shares in the Holding Company are given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.61%	6,78,24,643	38.69%
Rameshchandra Sharma	-	0.00%	4,37,64,930	24.97%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	9.97%	1,75,17,060	9.99%
Rajesh Sharma	4,59,00,035	26.13%	-	0.00%

Details of Promoters holding shares in the Holding Company are given below:

Promoter Name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Individuals / Hindu Undivided Family					
Ramesh Chandra Sharma	-	0.00%	4,37,64,630	24.97%	-100.00%
Ramesh Chandra Sharma Huf	-	0.00%	21,35,405	1.22%	-100.00%
Rajesh Sharma	500	0.00%	500	0.00%	0.00%
Jahnvi Sharma	100	0.00%	100	0.00%	0.00%
Jinisha Sharma	100	0.00%	100	0.00%	0.00%
Raghav Sharma	100	0.00%	100	0.00%	0.00%
Promoter Trust					
Rajesh Sharma	4,59,00,035	26.13%	-	0.00%	100.00%
Bodies Corporate					
Capri Global Holdings Private Limited	6,78,24,643	38.61%	6,78,24,643	38.69%	0.00%
Capri Global Advisory Services Private Limited	1,75,17,060	9.97%	1,75,17,060	9.99%	0.00%
Total	13,12,42,538	74.72%	13,12,42,538	74.87%	0.00%

Terms/Rights attached to equity shares:

1. The Holding Company has only one class of equity share having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees.

2. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Shares reservation :

In FY 2021-22, 30,40,800 shares (FY 2020-21 15,80,45 shares) of ₹ 2 each towards outstanding employee stock options granted (Refer Note 46)

Objective for managing capital:

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



Note 22 - Other Equity

Particulars	As at March 31, 2022	As at March 31, 2020
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per the last Financial Statements	2,407.96	2,120.04
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	323.77	287.92
Closing balance	2,731.73	2,407.96
Statutory Reserve Section 29C of the National Housing Bank Act, 1987		
Balance as per the last Financial Statements	158.30	91.10
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	86.40	67.20
Closing balance	244.70	158.30
Securities premium		
Balance as per the last financial statements	4,491.80	4,471.01
Add: On account of ESOP Exercised	49.34	20.79
Closing balance	4,541.14	4,491.80
General Reserve		
Balance as per the last financial statements	642.05	642.05
Closing balance	642.05	642.05
Other reserves & surplus - Employee stock option outstanding		
Balance as per the last Financial Statements	78.77	57.92
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	26.28	20.85
Closing balance	105.05	78.77
Retained earnings (Surplus in profit & loss account)		
Surplus in statement of profit and loss	9,043.56	7,659.46
Profit for the year	2,050.41	1,769.55
Other Comprehensive Income	(4.92)	4.71
Dividend Paid	(70.15)	(35.04)
Transfer to Reserve Fund Section 29C of the National Housing Bank Act, 1987	(86.40)	(67.20)
Transfer to Reserve Fund under Section 45-IC of Reserve Bank of India Act, 1934	(323.77)	(287.92)
Closing Balance	10,608.73	9,043.56
Total	18,873.40	16,822.44

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Every non-banking financial company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.

Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987

Every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its profit every year as disclosed in the profit and loss account and before any dividend is declared. Explanation - A housing finance institution creating and maintaining any special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 (43 of 1961) may take into account any sum transferred by it for the year to such special reserve for the purposes of this sub-section. For the previous comparative periods, company has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Employee Stock Option Reserve

This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.



Note 23 - Interest Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on Loans	8,100.22	6,679.83
Interest on deposits	32.71	42.49
Interest income from investments	260.83	12.89
Interest on Others	2.02	-
Total	8,395.78	6,735.21

Note 24 - Fee and commission Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Application Fees	39.81	20.74
Car Loan Commission	466.96	-
Total	506.77	20.74

Note 25 - Net gain on fair value changes

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in Shares	144.75	126.68
- Mutual Funds and Bonds	91.42	161.55
(B) Others	-	-
(C) Total Net gain on fair value changes	236.17	288.23
(D) Fair Value changes:		
- Realised	228.95	273.10
- Unrealised	7.22	15.13
Total Net gain on fair value changes	236.17	288.23

Note 26 - Other Operating Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Income	-	153.95
Foreclosure Fees	80.19	61.85
Bad Debts Recovered	0.34	1.10
Legal Charges Received	13.93	7.49
Other Charges	148.39	91.08
Total	242.85	315.47

Note 27 - Other Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Income	113.60	-
Profit on sale of Investment Property	2.93	3.28
Service Fees	-	1.77
Write Back	7.47	-
Interest on Income Tax Refund	-	4.94
Other	4.00	0.55
Total	128.00	10.54



Note 28 - Finance Costs

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings Other than debt Securities	2,721.83	2,361.41
Interest on Bank Overdraft	-	0.32
Interest on debt securities	553.40	497.48
Interest on Bank CC	7.12	2.28
Interest on Lease Liability	26.12	25.56
Total	3,308.47	2,887.05

Note 29 - Impairment on financial instruments (at Amortised Cost)

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans and advances to customers	562.59	544.04
Loan commitments	55.16	0.64
Bad Debts Written Off	438.93	-
Total impairment loss	1,056.68	544.68

Note 30 - Employee Benefit Expense

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Bonus	1,569.47	900.06
Contribution to provident and other funds	84.65	47.81
Share Based Payments to employees	54.78	31.20
Staff Training and Welfare Expenses	37.14	14.72
Total	1,746.04	993.79



Note 31 - Other expenses

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertising	6.17	6.24
Auditors' Remuneration	5.76	5.70
Bad Debts Written Off	-	62.32
Banking Charges	7.44	9.19
Business Development Expenses	22.92	6.98
Corporate Social Responsibility Expenses*	44.92	37.47
Directors' Fees and Commission	7.93	7.74
Electricity Charges	13.07	9.00
Legal Expenses	224.61	124.89
Loss On Sale of Fixed Assets	1.02	0.20
Recruitment Expenses	36.12	13.93
Membership & Subscription Expenses	2.47	2.45
Processing Fees on Co Lending	0.03	-
Postage, Telephone and Fax	33.98	25.84
Printing and Stationery	21.65	10.50
Rent	28.42	9.08
Software Expenses	62.39	35.86
Filing & Other Fees to ROC	0.09	0.12
Travelling and Conveyance	103.85	55.50
Service fees*	3.96	4.05
NOC Review Charges	13.52	18.43
Write off - Others	1.34	-
Miscellaneous Expenses	49.23	38.12
Total	690.89	483.61

*The above CSR expenses includes ₹ 1.22 millions pertaining to the previous year funds utilization which was transferred to the designated bank account in line with the notification No. G.S.R. 40(E) dated 22nd January, 2021 issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021

1. Auditors' Remuneration

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) For Statutory Audit	1.66	1.70
b) For Tax Audit	0.38	0.40
c) For Limited Review	1.08	1.05
d) For other services (Certification Fees and Interim audit Fees)	2.09	2.20
e) For reimbursement of expenses	0.08	0.12
f) GST to the extent of ITC not availed	0.47	0.23
Total	5.76	5.70

2. Corporate Social Responsibility Expenses

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross Amount Required to be spent during the year	44.92	37.47
Amount spent during the year on CSR		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	44.92	37.47
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Refer note 3 below	Refer note 3 below
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 42	Refer note no. 42

3. Nature of CSR activities - Women Empower, Livelihood Initiative, Education Initiative, Health Initiative (including nutrition project), COVID-19 Relief support, Animal Welfare

4. Disclosure in relation to undisclosed income - There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

5. Details of Crypto currency or Virtual currency - The Group has not traded or invested in crypto currency or virtual currency during the financial year



Note 32 - Other Comprehensive Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement loss (gain) on defined benefit plan	(0.47)	6.27
Income tax relating to these items	0.12	(1.56)
Items that may be reclassified to profit or loss		
Fair Value Gain on time value of forward element of forward contract	(6.10)	-
Income tax relating to these items	1.53	-
Other comprehensive income for the year, net of tax	(4.92)	4.71



Note 33 - MSME Loans

1.1 Credit quality of assets

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	24,458.84	-	-	24,458.84	18,508.18	-	-	18,508.18
Standard grade	1,468.90	-	-	1,468.90	1,942.41	-	-	1,942.41
Sub-standard grade	-	1,204.54	-	1,204.54	-	976.79	-	976.79
Past due but not impaired	-	1,564.06	-	1,564.06	-	736.26	-	736.26
Restructured	-	1,937.56	-	1,937.56	-	1,817.97	-	1,817.97
Non Performing								
Individually impaired	-	-	1,276.66	1,276.66	-	-	1,389.58	1,389.58
Total	25,927.74	4,706.16	1,276.66	31,910.56	20,450.59	3,531.02	1,389.58	25,371.19

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	20,450.58	3,531.02	1,389.58	25,371.18	17,700.21	1,664.22	733.20	20,097.63
New assets originated	11,510.38	-	-	11,510.38	7,447.60	-	-	7,447.60
Assets derecognised or repaid (excluding write offs)	(4,010.62)	(519.24)	(264.42)	(4,794.28)	(2,488.39)	(110.65)	(152.36)	(2,751.40)
Transfers to Stage 1	549.53	(334.83)	(214.70)	-	442.02	(389.24)	(52.78)	-
Transfers to Stage 2	(2,205.65)	2,287.75	(82.10)	-	(2,208.77)	2,231.76	(22.99)	-
Transfers to Stage 3	(265.18)	(203.52)	468.70	-	(442.09)	(298.73)	740.82	-
Other movements (on account of change in EAD)	-	-	-	-	-	433.66	197.89	631.55
Amounts written off	(101.30)	(55.02)	(20.40)	(176.72)	-	-	(54.20)	(54.20)
Gross carrying amount closing balance	25,927.74	4,706.16	1,276.66	31,910.56	20,450.58	3,531.02	1,389.58	25,371.18
Number of Loans	17,766	2,385	622	20,773	14,113	1,462	566	16,141

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	135.58	381.95	394.91	912.44	83.86	109.36	256.43	449.65
New assets originated	79.66	-	-	79.66	45.59	-	-	45.59
Assets derecognised or repaid (excluding write offs)	(21.74)	(66.34)	(80.72)	(168.80)	(9.83)	(11.87)	(52.36)	(74.06)
Transfers to Stage 1	6.08	(4.78)	(1.30)	-	35.89	(23.51)	(12.38)	-
Transfers to Stage 2	(210.43)	216.87	(6.44)	-	(10.53)	15.87	(5.34)	-
Transfers to Stage 3	(67.13)	(59.67)	126.80	-	(2.11)	(17.78)	19.89	-
Other movements (on account of change in EAD)	268.29	223.94	18.77	511.00	(7.29)	309.88	202.49	505.08
Amounts written off	(1.16)	(0.89)	(58.85)	(60.90)	-	-	(13.82)	(13.82)
ECL allowance - closing balance	189.15	691.08	393.17	1,273.40	135.58	381.95	394.91	912.44

#Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Restructured	<90 DPD & Restructured	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default

Particulars	As at March 31, 2022	As at March 31, 2021
LGD	27.04	25.50

Probability of Default

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	2.56	2.60
Stage 2	36.92	42.44
Stage 3	100.00	100.00

E. Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	11,578.63	417.57
>50% <= 70%	18,462.35	685.82
>70% <= 90%	1,867.77	170.00
>90% <= 100%	1.81	0.01

Credit impaired advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	415.26	125.13
>50% <= 70%	716.55	216.84
>70% <= 90%	144.85	51.20
>90% <= 100%	-	-



Note 33.1- Construction Finance Loans**1.1 Credit quality of assets**

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	15,209.18	-	-	15,209.18	10,990.72	-	-	10,990.72
Standard grade	3.05	-	-	3.05	27.73	-	-	27.73
Sub-standard grade	-	569.57	-	569.57	-	791.41	-	791.41
Past due but not impaired	-	-	-	-	-	-	-	-
Non Performing								
Individually impaired	-	-	23.18	23.18	-	-	16.75	16.75
Total	15,212.23	569.57	23.18	15,804.98	11,018.45	791.41	16.75	11,826.61

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,018.45	791.41	16.75	11,826.61	9,698.74	1,176.32	16.75	10,891.81
New assets originated	8,404.76	-	-	8,404.76	5,061.12	-	-	5,061.12
Assets derecognised or repaid (excluding write offs)	(3,951.11)	(311.73)	-	(4,262.84)	(3,878.17)	(248.15)	-	(4,126.32)
Transfer to Stage 1	(553.73)	553.73	-	-	605.57	(605.57)	-	-
Transfer to Stage 2	351.44	(351.44)	-	-	(468.81)	468.81	-	-
Transfer to Stage 3	(23.18)	-	23.18	-	-	-	-	-
Amounts written off	(34.40)	(112.40)	(16.75)	(163.55)	-	-	-	-
Gross carrying amount closing balance	15,212.23	569.57	23.18	15,804.98	11,018.45	791.41	16.75	11,826.61
Number of Loans	155	13	1	169	128	11	1	140

Reconciliation of ECL balance is given below:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	65.85	4.08	16.75	86.68	65.22	13.70	3.20	82.12
New assets originated	108.66	-	-	108.66	14.49	-	-	14.49
Assets derecognised or repaid (excluding write offs)	(8.76)	(0.83)	-	(9.59)	(25.07)	(2.82)	-	(27.89)
Transfers to Stage 1	(21.19)	21.19	-	-	9.35	(9.35)	-	-
Transfers to Stage 2	2.53	(2.53)	-	-	(3.15)	3.15	-	-
Transfers to Stage 3	(4.80)	-	4.80	-	-	-	-	-
Other movements (on account of change in EAD)	-	-	-	-	5.01	(0.60)	13.55	17.96
Amounts written off	(34.40)	(0.61)	(16.75)	(51.76)	-	-	-	-
ECL allowance - closing balance	107.89	21.30	4.80	133.99	65.85	4.08	16.75	86.68

Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
LGD	20.70	19.09

Probability of Defaults

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	2.56	1.50
Stage 2	4.05	3.84
Stage 3	100.00	100.00



Note 33.2 - Housing Loans

33.1 Credit quality of assets

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	15,272.03	-	-	15,272.03	9,666.49	-	-	9,666.49
Standard grade	842.71	-	-	842.71	1,035.44	-	-	1,035.44
Sub-standard grade	-	447.97	-	447.97	-	425.14	-	425.14
Past due but not impaired	-	517.49	-	517.49	-	310.24	-	310.24
Restructured Assets	-	131.44	-	131.44	-	22.54	-	22.54
Non Performing								
Individually impaired	-	-	261.94	261.94	-	-	202.06	202.06
Total	16,114.74	1,096.90	261.94	17,473.58	10,701.93	757.92	202.06	11,661.91

33.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	10,701.93	757.92	202.06	11,661.91	8,652.57	259.26	108.27	9,020.10
New assets originated or purchased	7,921.01	-	-	7,921.01	3,770.17	-	-	3,770.17
Assets derecognised or repaid (excluding write offs)	(1,876.52)	(95.39)	(38.79)	(2,010.70)	(1,105.23)	(12.84)	(2.22)	(1,120.29)
Transfers to Stage 1	233.86	(216.67)	(17.19)	-	99.86	(99.07)	(0.78)	0.00
Transfers to Stage 2	(703.27)	718.84	(15.57)	0.00	(640.37)	645.00	(4.63)	-
Transfers to Stage 3	(110.92)	(43.62)	154.54	-	(75.07)	(34.43)	109.50	-
Amounts written off	(51.35)	(24.18)	(23.11)	(98.64)	-	-	-	(8.07)
Gross carrying amount closing balance	16,114.74	1,096.90	261.94	17,473.58	10,701.93	757.92	202.06	11,661.91

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	35.34	57.58	52.07	144.99	21.45	14.32	34.01	69.78
New assets originated or purchased	195.07	-	-	195.07	19.56	-	-	19.56
Assets derecognised or repaid (excluding write offs)	(5.21)	(21.11)	(14.32)	(40.64)	(2.04)	(1.58)	(4.37)	(7.99)
Transfers to Stage 1	2.24	(2.12)	(0.12)	0.00	5.83	(5.61)	(0.23)	(0.01)
Transfers to Stage 2	(114.81)	116.96	(2.15)	(0.00)	(1.53)	2.86	(1.33)	-
Transfers to Stage 3	(34.60)	(12.51)	47.10	(0.01)	(0.18)	(1.88)	2.07	0.01
Other movements	2.27	2.48	(4.75)	-	(7.76)	49.46	21.93	63.63
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	80.30	141.28	77.83	299.41	35.34	57.58	52.07	144.98

* Internal Rating Grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Restructured Assets	0 DPD & Restructured	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default \$ (In %)		
Particulars	As at March 31, 2022	As at March 31, 2021
LGD	28.68	23.42

Probability of Default \$ (In %)		
Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	1.66	1.50
Stage 2	33.21	33.46
Stage 3	100.00	100.00

\$ PD & LGD includes management overlay due to COVID-19 pandemic (refer note no. 34)

Details of collateral received against loan portfolio :

Nature of security against advances :

Underlying securities for the assets secured by tangible assets - Property & book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	5,110.30	66.69
> 50% - <= 70%	5,280.60	65.84
> 70% - <= 90%	7,082.68	166.86

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	37.98	10.89
> 50% - <= 70%	46.36	13.30
> 70% - <= 90%	177.60	53.63



Note 34

The extent to which any new wave of COVID-19 pandemic will impact the Group's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors/information available, upto the date of approval of these financial results. In order to cover the impact of COVID-19 on the future expected credit losses, the Group carries a management and macro economic variable outlay of ₹ 443.30 millions as on March 31, 2022 (as on March 31, 2021 ₹ 194.40 millions). The Group will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.



Note 35 - Income Taxes relating to continuing operations**1. Income Tax recognised in statement of profit and loss**

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of the current year	779.55	693.03
In respect of prior years	5.80	-
	785.35	693.03
Deferred Tax		
In respect of the current year	(109.53)	(105.45)
On Other Comprehensive Income	-	-
	(109.53)	(105.45)
Total Income tax expense recognised in the current year relating to continuing operations	675.82	587.58

2. Reconciliation of income tax expense for the year:

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consolidated Profit Before tax	2,726.23	2,357.13
Total tax expense (As per P&L)		
- Current tax	779.55	693.03
- Deferred tax	(109.53)	(105.45)
- Tax Pertaining to earlier Years	5.80	-
Total Tax Expenses	675.82	587.58
Effective tax rate	24.58%	24.93%
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due to permanent difference		
a) Non allowability of Claim of CSR, Other Expenses & Special Reserve	50.12	22.52
b) Difference due to Tax Rate of STCG & LTCG	146.41	-
c) Deferred Tax Assets/MAT credit reversal u/s 115JB	(8.08)	-
Total of items affecting tax rate	188.45	22.52

3. Reconciliation of income tax rate is as follows:

(In %)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Normal Tax Rate	22.00	22.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	2.20
Education cess (including secondary and higher education cess)		
Health and Education Cess	0.97	0.97
Total Tax Rate	25.17	25.17
Tax Impact on Non allowability of Claim of CSR, Other Expenses & Special Reserve	(0.46)	(0.24)
Tax Impact on Capital Gain on sale of shares, mutual funds, interest, Property etc.	(0.43)	-
Tax Impact on Deferred Tax Assets/MAT credit Reversal u/s 115JB	0.30	-
Effective Tax Rate	24.58	24.93



Note 36 - Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in millions)

Particulars	Deferred Tax Assets	Income Statement	OCI	Deferred Tax Assets
	As at March 31, 2021	2021-22	2021-22	As at March 31, 2022
Deferred Tax Assets:				
Provision for Employee Benefits	12.63	2.58	-	15.21
Depreciation	22.95	1.30	-	24.25
Impairment allowance for financial assets	195.69	163.39	-	359.08
Unmortised fees on loans	18.08	(13.88)	-	4.20
Others	8.03	(0.91)	-	7.12
MAT Credit Entitlement	8.08	(8.08)	-	-
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	(3.81)	4.56	-	0.75
Unmortised fees on borrowings	(4.36)	2.98	-	(1.38)
Gain on derecognition of financial instruments*	-	(42.40)	-	(42.40)
Deferred Tax Assets (net)	257.29	109.54	-	366.83

*As per Ind AS 109 'Financial Instruments', on derecognition of loans, the Group recognise difference between the carrying amount (measured at the date of derecognition) and consideration received (including new asset obtained less any new liability assumed) as gain in Statement of profit and loss account. Such gain recognised on derecognition of loans is not a real income as per Income tax Act, 1961, hence is offered to tax over the tenure of loans. Accordingly, deferred tax liability has been created on the Spread receivable on assigned portfolio (Co-lending portfolio).

(₹ in millions)

Particulars	Deferred Tax Assets	Income Statement	OCI	Deferred Tax Assets
	As at March 31, 2020	2020-21	2020-21	As at March 31, 2021
Deferred Tax Assets:				
Provision for Employee Benefits	9.54	3.09	-	12.63
Depreciation	21.32	1.63	-	22.95
Impairment allowance for financial assets	97.29	98.40	-	195.69
Unmortised fees on loans	21.36	(3.28)	-	18.08
Others	3.68	4.35	-	8.03
MAT Credit Entitlement	8.08	-	-	8.08
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	-	(3.81)	-	(3.81)
Unmortised fees on borrowings	(9.42)	5.06	-	(4.36)
Deferred Tax Assets (net)	151.85	105.44	-	257.29

Deferred Tax Assets / Liabilities are calculated at the applicable rate of 25.17%



Note 37 - Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Group uses the same basis of expected repayment as used for estimating the EIR.

(₹ in millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	3,225.06	-	3,225.06	1,705.80	-	1,705.80
Bank Balances other than cash and cash equivalents	198.57	107.58	306.15	427.63	109.05	536.68
Receivables	81.64	-	81.64	15.08	-	15.08
Loans	8,366.10	54,341.93	62,708.03	7,198.00	39,664.55	46,862.55
Investments	2,411.89	1,362.95	3,774.84	4,729.78	3,344.75	8,074.53
Other financial Assets	78.90	143.24	222.14	94.66	18.48	113.14
Total Financial Assets	14,362.16	55,955.70	70,317.86	14,170.95	43,136.83	57,307.78
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	12.42	-	12.42	-	-	-
Payables						
- Trade Payables	334.85	-	334.85	74.94	-	74.94
- Other Payables	78.25	-	78.25	72.27	-	72.27
Debt Securities	166.67	4,164.23	4,330.90	2,415.16	4,326.14	6,741.30
Borrowings (Other than debt securities)	9,201.84	34,551.13	43,752.97	6,002.59	24,991.98	30,994.57
Other financial liabilities	3,124.50	384.31	3,508.81	2,546.39	230.15	2,776.54
Total Financial Liabilities	12,918.53	39,099.67	52,018.20	11,111.35	29,548.27	40,659.62
Net	1,443.63	16,856.03	18,299.66	3,059.60	13,588.56	16,648.17

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value. The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.



Note 38 - Change in liabilities arising from financing activities

(₹ in millions)

Particulars	As at April 1, 2021	Cash flows	Other	As at March 31, 2022
Debt Securities	6,741.30	(2,416.67)	6.27	4,330.90
Borrowings other than debt securities	30,994.57	12,088.92	669.48	43,752.97
Total liabilities from financing activities	37,735.87	9,672.25	675.75	48,083.87

(₹ in millions)

Particulars	As at April 1, 2020	Cash flows	Other	As at March 31, 2021
Debt Securities	1,500.00	5,248.49	(7.19)	6,741.30
Borrowings other than debt securities	26,866.11	3,745.94	382.52	30,994.57
Total liabilities from financing activities	28,366.11	8,994.43	375.33	37,735.87



Note 39 - Fair value measurements

Fair value 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, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 109, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

39.1 Financial instruments by category

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	Amortised cost	FVTOCI	Total	FVTPL	Amortised cost	FVTOCI	Total
Financial assets								
Investments								
- Mutual funds	2,304.43	-	-	2,304.43	4,394.08	-	-	4,394.08
- Commercial Paper	-	-	-	-	-	959.13	-	959.13
- Equity Instruments	48.11	-	-	48.11	38.73	-	-	38.73
- Debt Instrument	-	247.66	-	247.66	-	952.76	-	952.76
- Pass Through Certificates	-	1,174.64	-	1,174.64	-	1,729.83	-	1,729.83
Trade receivables	-	81.64	-	81.64	-	15.08	-	15.08
Loans	-	62,708.03	-	62,708.03	-	46,862.55	-	46,862.55
Cash and cash equivalents	-	3,225.06	-	3,225.06	-	1,705.80	-	1,705.80
Bank Balances other than above	-	306.15	-	306.15	-	536.68	-	536.68
Other financial Assets	-	222.14	-	222.14	-	113.14	-	113.14
Total financial assets	2,352.54	67,965.32	-	70,317.86	4,432.81	52,874.97	-	57,307.78
Financial liabilities								
Derivative financial instruments	-	-	12.42	12.42	-	-	-	-
Borrowings (including Debt Securities)	-	48,083.87	-	48,083.87	-	37,735.87	-	37,735.87
Trade and other payables	-	413.10	-	413.10	-	147.21	-	147.21
Other financial liabilities	-	3,508.81	-	3,508.81	-	2,776.54	-	2,776.54
Total financial liabilities	-	52,005.78	12.42	52,018.20	-	40,659.62	-	40,659.62

39.2 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2022						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	48.11	48.11	-	-	48.11
Mutual funds	7	2,304.43	2,304.43	-	-	2,304.43
Total financial assets		2,352.54	2,352.54	-	-	2,352.54
Financial Liabilities						
Derivative financial instruments	16A	12.42	-	12.42	-	12.42
Total financial liabilities		12.42	-	12.42	-	12.42

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2022						
Financial assets						
Cash and cash equivalents	3	3,225.06	3,225.06	-	-	3,225.06
Bank Balance other than above	4	306.15	306.15	-	-	306.15
Trade Receivable	5	81.64	-	-	81.64	81.64
Loans						
Loans to employees		1.13	-	-	1.13	1.13
Loans - SME & CF	6	62,706.90	-	-	62,984.44	62,984.44
Investments						
- Commercial Paper		-	-	-	-	-
- Debt Instrument	7	247.66	-	-	247.66	247.66
- Pass Through Certificates		1,174.64	-	-	1,174.64	1,174.64
Other financial assets	8	222.14	-	-	222.14	222.14
Total financial assets		67,965.32	3,531.21	-	64,711.65	68,242.86
Financial Liabilities						
Trade and other payable	14	413.10	-	-	413.10	413.10
Debt Securities	15	4,330.90	4,452.63	-	-	4,452.63
Borrowings other than Debt Securities	16B	43,752.97	-	-	43,752.97	43,752.97
Other Financial Liabilities	17	3,508.81	-	-	3,508.81	3,508.81
Total financial liabilities		52,005.78	4,452.63	-	47,674.88	52,127.51

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	38.73	38.73	-	-	38.73
Mutual funds	7	4,394.08	4,394.08	-	-	4,394.08
Total financial assets		4,432.81	4,432.81	-	-	4,432.81
Financial liabilities						
Total financial liabilities		-	-	-	-	-



(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2021	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	3	1,705.80	1,705.80	-	-	1,705.80
Bank Balance other than above	4	536.68	536.68	-	-	536.68
Trade Receivable	5	15.08	-	-	15.08	15.08
Loans						
Loans to employees	6	1.19	-	-	1.19	1.19
Loans - SME & CF		46,861.36	-	-	46,861.36	46,861.36
Investments						
- Commercial Paper	7	959.13	-	959.13	-	959.13
- Debt Instrument		952.76	-	952.76	-	952.76
- Pass Through Certificates		1,729.83	-	-	1,729.83	1,729.83
Other financial assets	8	113.14	-	-	113.14	113.14
Total financial assets		52,874.97	2,242.48	1,911.89	48,720.60	52,874.97
Financial Liabilities						
Trade and other payable	14	147.21	-	-	147.21	147.21
Debt Securities	15	6,492.81	6,492.81	-	-	6,492.81
Borrowings other than Debt Securities	16B	31,243.06	-	-	31,243.06	31,243.06
Other Financial Liabilities	17	2,776.54	-	-	2,776.54	2,776.54
Total financial liabilities		40,659.62	6,492.81	-	34,166.81	40,659.62

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.



Note 40 - Risk Management

40.1. Risk Disclosures

Group's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and interest rate risk. It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

40.2. Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

40.2.1 Impairment assessment

40.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-30 days are classified as Stage 1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 31 to 90 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with more than 90 days past due or Restructured Advances are classified as Stage 3. Another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

40.2.1.2 Significant increase in credit risk

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

40.2.1.3 Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate inability to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

40.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 33).

- a) The Group has applied 12 months PD to stage 1 advances
- b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.
- c) PD of 100% is considered for Stage 3 assets.

40.2.1.5 Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level.

40.2.2 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Group has guidelines in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothecation of Receivables.

2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Group is unable to recover the dues, the Group through a legal process enforces the security and recovers the dues.

40.2.3 In accordance with the instructions in the RBI circular dated April 07 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Group has estimated the said amount and made provision for refund/adjustment.

40.2.4 The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant volatility and decline in the global and Indian financial markets and slowdown in the economic activities. Pursuant to the guidelines issued by RBI dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package, the Group has granted moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers. For the purpose of asset classification on all such accounts, the number of days past due as on March 31, 2021 excludes the moratorium period to the respective borrower, as per the policy.

40.2.5 Hon'able Supreme court vide order dated March 23, 2021, in the matter of Small Scale industrial Manufacturers Associations VS UOI & Ors. Has stated that interim relief granted vide an interim order dated September 03, 2020 stands vacated. Accordingly the Group has classified non performing assets as per extant RBI guidelines.



40.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group 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. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets by monitoring future cash flows and liquidity on a daily basis.

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

The table below summarises the maturity profile of the undiscounted cash flow of the Group's financial liabilities:

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	213.42	45.00	234.68	77.36	3,209.23	306.90	1,882.99	5,969.58
Borrowings	403.95	824.82	1,381.84	2,916.70	6,240.42	23,049.92	12,871.24	5,023.27	52,712.16
Trade Payable	413.10	-	-	-	-	-	-	-	413.10
Lease liability	6.31	6.32	6.30	19.07	37.61	132.18	87.94	16.92	312.65
Other Financial Liability	3,039.19	-	-	-	-	-	-	-	3,039.19

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	-	-	166.67	2,250.00	2,826.14	-	1,500.00	6,742.81
Borrowings	116.30	364.63	827.02	1,541.66	3,152.96	13,221.57	9,799.80	1,923.33	30,947.27
Trade Payable	147.11	-	-	-	-	-	-	-	147.11
Lease liability	5.36	5.33	5.33	15.97	30.08	97.49	92.13	28.50	280.19
Other Financial Liability	2,229.22	-	-	-	-	-	-	-	2,229.22

40.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the Group is providing loans to MSME Construction Finance, Indirect Lending and Housing Finance. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

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

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss	Sensitivity of equity
2021-22			
Loans (₹)	25 Basis point Up	159.58	119.42
	50 Basis point Up	319.15	238.83
	25 Basis point Down	(159.58)	(119.42)
	50 Basis point Down	(319.15)	(238.83)
Borrowings (₹)	25 Basis point Up	(120.73)	(90.34)
	50 Basis point Up	(241.46)	(180.68)
	25 Basis point Down	120.73	90.34
	50 Basis point Down	241.46	180.68
2020-21			
Loans (₹)	25 Basis point Up	120.66	90.29
	50 Basis point Up	241.32	180.59
	25 Basis point Down	(120.66)	(90.29)
	50 Basis point Down	(241.32)	(180.59)
Borrowings (₹)	25 Basis point Up	(78.32)	(58.31)
	50 Basis point Up	(155.83)	(117.55)
	25 Basis point Down	78.32	58.31
	50 Basis point Down	155.83	117.55

Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

During the year, the Group has not come across any instances of fraud.

Capital Management :

Group's capital management objective is primarily to safeguard business continuity. The Group's capital raising policy is aligned to macro economic situation and incidental risk factors. The Group's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The Group believes this approach would create shareholder value in long run. Also, the Group has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the Group's resource base is equity. Therefore the Group enjoys a low gearing.

The Group maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Particulars	As at March 31, 2022	As at March 31, 2021
The gearing ratio at each date were as follows :		
Debt (I)	48,096.29	37,900.30
Cash and bank balances (II) (refer note 3)	3,225.06	1,705.72
Net debt (I - II)	44,871.23	36,194.58
Total equity	19,224.71	17,173.01
Net debt to equity ratio	2.33	2.11



Note 41A- Defined Contribution Plan

The Group's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from Group or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Employer's contribution to provident fund	57.61	28.03
Employer's contribution to National Pension Scheme	2.98	3.25
Total	60.59	31.28

Note 41B- Defined Benefit Plan

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation/retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table sets out the status of the Defined Benefit Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Group:

Principal assumptions used for the actuarial valuations are as follows:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Discount Rate	5.66%	5.58%
Expected Rate of return on Plan Asset	5.66%	5.58%
Salary Escalation	5.00%	5.00%
Attrition Rate	24.00%	20.00%
Mortality Table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

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

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	42.23	38.44
Current Service Cost	12.36	12.35
Interest Cost	2.36	2.40
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(3.80)	(4.99)
Direct Payment by the Group	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(2.14)	(1.60)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.15)	1.15
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.38	(5.52)
Present Value of Benefit Obligation at the End of the Period	54.24	42.23

Movements in the fair value of the plan assets are as follows:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	35.84	29.12
Interest income	2.00	1.82
Contributions by employer	6.43	9.60
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(3.80)	(4.99)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.62	0.29
Fair Value of Plan Assets at the End of the Period	41.09	35.84



Amount recognized in the balance sheet from the Group's obligation in respect of its defined benefit plans is as follows:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
(Present Value of Benefit Obligation at the end of the Period)	(54.25)	(42.22)
Fair value of plan assets	41.10	35.84
Funded status (Surplus/ (Deficit))	(13.15)	(6.38)
Net (Liability)/Asset Recognized in the Balance Sheet	(13.15)	(6.38)

Net Interest Cost for current period:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	42.23	38.44
(Fair Value of Plan Assets at the Beginning of the Period)	(35.84)	(29.13)
Net Liability/(Asset) at the Beginning	6.39	9.31
Interest Cost	2.35	2.40
(Interest Income)	(2.00)	(1.82)
Net Interest Cost for Current Period	0.35	0.58

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	12.36	12.35
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	0.36	0.58
Expense Recognized	12.72	12.93

Amounts recognised in the Other Comprehensive Income (OCI) in respect of these defined benefit plans are as follows:

(₹ in millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)	(0.62)	(0.29)
Actuarial (gains) / losses on defined benefit obligations	1.09	(5.98)
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	0.47	(6.27)

The fair value of the plan assets for India are as follows:

(₹ in millions)

Category of Assets	Gratuity Fund	
	As at March 31, 2022	As at March 31, 2021
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds*	41.10	35.84
Others	-	-
Total	41.10	35.84

*The investment further done by the insurer are in Govt. Securities 38.10%, Corporate Bonds 59.28% and Cash, Deposits, Money Market Instruments 2.62%



Maturity Analysis of benefit payments

(₹ in millions)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2022	As at March 31, 2021
1st Following Year	9.20	5.94
2nd Following Year	9.18	4.51
3rd Following Year	9.05	6.24
4th Following Year	7.32	6.91
5th Following Year	6.98	5.33
Sum of Years 6 To 10	18.22	16.46
Sum of Years 11 and above	7.63	10.04

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

Sensitivity analysis

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(1.78)	(1.72)	1.92	1.87
2) Future Salary Increases	1.85	1.81	(1.77)	(1.70)
3) Employee Turnover	(0.51)	(0.48)	0.52	0.49

Note :

-The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

-The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

-Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

-There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



Note 42 - Related party disclosures as per Ind AS 24

A. List of Related Parties and related party relationship:

Considering only parties with whom transaction has entered during the FY 2021-22

Sr. No.	Name of the Related Party	Relationship
a) Enterprises over which Management and/ or their relatives have control		
1	Capri Global Holdings Private Limited	Managing Director
2	Parshwanath Buildcon Private Limited	Whole Time Director (Resigned w.e.f.31.03.20)
b) Key Management Personnel		
1	Mr. Rajesh Sharma	Independent Director
2	Mr. Jayesh Doshi	Independent Director
3	Mr. Beni Prasad Rauka	Independent Director
4	Ms. Bhagyam Ramani	Independent Director
5	Mr. Mukesh Kacker	Independent Director
6	Mr. Ajay Relan	Independent Director
7	Mr. Ajit Mohan Sharan	Independent Director
8	Mr. Desh Raj Dogra	Independent Director
9	Mr. T.R. Bajajia	Independent Director

c) Trust under common control:

- Capri Foundation
- Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme
- Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme

B. Details of transactions during the year and closing balances as at the year end:

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
a.	Statement of Profit and Loss Items:										
I	INCOMES :										
i	Interest on Loan Given to Subsidiaries										
	Capri Global Resources Private Limited	0.04		-		-		-		0.04	
ii	Sale of Investment										
	Capri Global Holding Private Limited	-		0.28		-		-		0.28	
II	EXPENSES :										
i	Rent Paid										
	Parshwanath Buildcon Private Limited	-		0.20	0.26	-		-		0.20	0.26
	Capri Global Holding Private Limited	-		0.36	0.38	-		-		0.36	0.38
ii	Salaries, Commission and other benefits										
	Mr. Rajesh Sharma	-		-		3.60		-		3.60	
	Mr. Jayesh Doshi	-		-		-	10.35	-		-	10.35
iii	Director Sitting Fees										
	Mr. Beni Prasad Rauka	-		-		1.82	2.38	-		1.82	2.38
	Ms. Bhagyam Ramani	-		-		3.30	2.49	-		3.30	2.49
	Mr. Mukesh Kacker	-		-		0.84	1.06	-		0.84	1.06
	Mr. Desh Raj Dogra	-		-		0.78	0.08	-		0.78	0.08
	Mr. Ajit Sharan	-		-		0.60	0.70	-		0.60	0.70
	Mr. Ajay Kumar Relan	-		-		0.16	0.57	-		0.16	0.57
	Mr. T.R. Bajajia	-		-		0.42	0.45	-			0.45
iv	Employee Benefits										
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-		-		-		4.50	7.50	4.50	7.50
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-		-		-		1.93	2.35	1.93	2.35
v	Corporate Social Responsibility										
	Capri Foundation	-		1.07	37.27	-		-		1.07	37.27



Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
b	Balance Sheet Items (Closing Balances):										
i	Other Payable										
	Parshwanath Buldicon Private Limited										
					0.16						0.16



Note 43 - Segment Information (IND-AS 108)**Operating Segment:**

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 44 - In Accordance with IND AS - 33 Earnings Per Share

The computation of earning per share is set out below:

Particulars			For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss	(A)	(₹ in millions)	2,050.41	1,769.55
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	17,54,26,904	17,52,85,355
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	17,74,05,541	17,65,01,662
Basic earnings per equity share (Face value of ₹ 2/- per share)	(A)/(B)	₹	11.69	10.10
Diluted earnings per equity share (Face value of ₹ 2/- per share)	(A)/(C)	₹	11.56	10.03

Particulars			For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Weighted average number of equity shares for calculating EPS		Nos.	17,54,26,904	17,52,85,355
Add : Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	19,78,637	12,16,307
Weighted average number of equity shares in calculation of diluted EPS		Nos.	17,74,05,541	17,65,01,662



Note 45 - Leases

The changes in the carrying value of ROU assets are as follows:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value		
Balance as at the beginning of the Year	296.79	273.24
On adoption of IND AS 116	-	-
Additions/Modifications	93.90	23.55
Terminations	37.75	-
Translation adjustments	-	-
Balance as at the end of the Year	352.94	296.79
Accumulated depreciation		
Balance as at the beginning of the Year	111.15	56.20
Depreciation	42.82	54.95
Terminations/modifications	24.10	-
Translation adjustments	-	-
Balance as at the end of the Year	129.87	111.15
Net Carrying Value at the end of the Year	223.07	185.64

The following is the movement in lease liabilities during the year:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities		
Balance as at the beginning of the Year	211.74	231.58
Additions/Modification	83.23	23.55
Terminations/modifications	16.36	-
Finance expense	26.12	25.56
Payment of lease liabilities	56.53	68.94
Translation adjustments	-	-
Balance as at the end of the Year	248.20	211.74

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

(₹ in millions)

Tenure	31st March 2022	31st March 2021
Less than 1 year	20.05	62.07
1-3 years	44.51	97.49
3-5 years	216.40	92.14
More than 5 years	31.70	28.50
Total	312.66	280.20

The Group has adequate liquidity for payment of lease liabilities. The Group regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Group has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Group takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.



Note 46 - Employee Stock Option

The Holding Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Holding Company and Subsidiary spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under: -

Name of Plan	As at March 31, 2022		As at March 31, 2021	
	Number of options under the Plan	Range of Exercise Price	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	30,40,800	₹ 2 to ₹ 300	15,80,450	₹ 2 to ₹194.9

The activity of the Stock Plans is summarised below:

Particulars	Year ended			
	As at March 31, 2022		As at March 31, 2021	
	Numbers	Exercise Price/ Vesting Price (₹)	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	4,42,000	100.00	5,74,000	100.00
	2,85,000	70.00	2,85,000	70.00
	7,32,950	2.00	5,55,000	2.00
	50,500	130.00	2,00,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	15,000	158.20
Granted	10,000	232.80	2,95,000	2.00
	3,70,000	225.00	20,000	194.90
	8,75,000	250.00	-	-
	9,50,000	300.00	-	-
Exercised	1,29,600	2.00	1,13,000	100.00
	85,500	70.00	37,550	2.00
	1,53,600	100.00	-	-
Forfeited, expired and cancelled	37,950	2.00	25,500	100.00
	28,000	130.00	52,000	2.00
	10,000	232.80	1,50,000	130.00
	3,00,000	225.00	15,000	158.20
	-	-	21,000	2.00
Outstanding at the end of the year	2,88,400	100.00	4,42,000	100.00
	1,99,500	70.00	2,85,000	70.00
	5,65,400	2.00	7,32,950	2.00
	22,500	130.00	50,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	20,000	194.90
	70,000	225.00	-	-
	8,75,000	250.00	-	-
	9,50,000	300.00	-	-

The Weighted average fair value of the new ESOPs granted during the year is ₹ 335.20 (previous Year ₹ 164.12).



The following table summarises information about stock option plans:

Exercise Price (₹)	Year ended			
	As at March 31, 2022		As at March 31, 2021	
	Numbers	Weighted Average Remaining Life (Months)	Numbers	Weighted Average Remaining Life (Months)
130.00	22,500	19	50,500	31
174.00	50,000	19	50,000	31
194.90	20,000	35	20,000	48
100.00	2,88,400	10	4,42,000	16
70.00	1,99,500	6	2,85,000	12
2.00	5,65,400	21	7,32,950	28
225.00	70,000	44	-	-
250.00	8,75,000	46	-	-
300.00	9,50,000	48	-	-

Fair Value Methodology:

The fair value of the shares are measured using Black-Scholes-Merton formula. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

The following table summarizes the assumptions used in calculating the grant date fair value.

Particulars	March 31, 2022	March 31, 2021
Expected life of the options	3 to 5 Years	3 to 5 Years
Expected volatility	50% to 60%	60%
Dividend yield	1%	1%
Risk-free interest rate	4.72% to 6.28%	4.59% to 5.62%

Expected life of the options: Expected life of the options is the period for which the holding company expects the Options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised, and the maximum life is the period after which the options cannot be exercised.

Expected volatility: The measure of volatility used in ESOP pricing model is the annualised standard deviation of the continuously compounded rates of return (calculated by log function) on the share over a period prior to the date of grant corresponding to the expected life of the option.

Dividend yield: Dividend Yield has been calculated as an average of dividend yields of six financial years preceding the date of grant. The dividend yield for the year is derived by dividing the dividend per share by the share price as on dividend effective date.

Risk-free interest rate: The rate used to discount employee benefit obligations reflects the estimated timing of benefit payments and the currency in which the benefits are to be paid. We have used the Discount Rate which relates to the par-yield rate available on ZYC Government Securities (G. Sec.) for the tenure of the expected life of options. (Ref: G Sec. rates available through www.fbil.org.in with prices/yields published by FBIL).

The Weighted average market price of the ESOPs exercised during the year is ₹ 530.71 (previous year ₹ 269.37).

ESOP cost recognised in the Statement of Profit and Loss for March 31, 2022 ₹ 54.78 Millions (March 31, 2021 ₹ 31.20 Millions)

Note 47 - Expenditure in Foreign Currency

Software Expenses

₹ 1.47 Millions (March 31, 2021 ₹ 1.61 Millions)



Note 48 - Details of dues to micro and small enterprises

The Group has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006 has been disclosed under note no. 14.

Note 49 - Contingent Liabilities

Income Tax matters under dispute: March 31, 2022 ₹ 115.18 Millions (March 31, 2021 ₹ 3.63 Millions)

Note 50 - Capital and Other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2022 ₹ 66.55 Millions (March 31, 2021 ₹ 13.88 Millions)
- b) Amount payable towards acquisition of Property for March 31, 2022 ₹ 39.82 Millions (March 31, 2021 ₹ 48.10 Millions)
- c) Other Commitments
- Pending disbursements of sanctioned loans for March 31, 2022 ₹ 13,341.79 Millions (March 31, 2021 ₹ 9,259.46 Millions)

Note 51 - Fraud Reporting

The group has reported frauds aggregating March 31, 2022 ₹ NIL (March 31, 2021 ₹ NIL) based on management reporting to risk committee and to the RBI through prescribed returns.

Note 52 - Details of all collateral used as security for liabilities

(₹ in millions)

Particulars	Carrying amount of financial assets pledged	
	As at 31st March, 2022	As at 31st March, 2021
Assets type		
Loans receivable as collateral under lending agreements	63,627.34	47,853.20
Loans receivable as collateral under PTC agreements	1,177.71	1,729.84
Receivables from investment in securities as collateral	2,554.12	5,389.90
Cash and other bank balance collateral under lending agreements	3,515.09	2,141.42



Note 53 A- Additional regulatory information under division III to schedule III as per notification dated March 24, 2021**(i) Revaluation of Property, Plant and Equipment:**

The Group has not revalued Property, Plant and Equipment during the year.

(ii) Revaluation of Intangible Assets:

The Group has not revalued Intangible assets during the year.

(iii) Loans or Advances:

During the year, the Group has not provided any loans or advances granted to promoters, directors and KMPs. However, the loan was provided to one of the subsidiary and the same was repaid as well.

(iv) Intangible assets under development ageing schedule:

(₹ in millions)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Software)	23.20	-	-	-	23.20

(v) Details of Benami Property held:

No proceedings have been initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder.

(vi) Security of current assets against borrowings:

Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(vii) Wilful Defaulter:

The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) Relationship with Struck off Companies:

Details of transaction with struck off Companies is as follows:-

Name of struck off Company	Nature of transaction with struck off Company	Balance outstanding	Relationship with struck off Company
Netclick Infocomm Private Limited	Internet service	-	NA

(ix) Compliance with number of layers of companies:

The Group has complied with the requirements of number of layers as per Section 186 of Companies Act, 2013.

(x) Compliance with approved Scheme(s) of Arrangements:

The Group has not entered into any scheme of arrangement.

(xi) Utilisation of Borrowed funds and share premium

Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

(xvii)

(a) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

Note 53 B - Additional Disclosures

(i) Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" (RBI Circular - RBI/2021-2022/125/DOR.STR.REC.68/21.04.048/2021-22) the Group had aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. Subsequently on February 15, 2022 vide circular RBI/2021-2022/158/DOR.STR.REC.85/21.04.048/2021-22 (RBI Clarification), RBI has deferred the implementation of Para 10 of circular till September 30, 2022. Accordingly, the Group, in accordance with the said RBI clarification, has decided to implement the change in Income Recognition, Asset Classification and Provisioning norms by September 30, 2022. The impact of the RBI circular, which was recognized in the results of nine months' period ended December 31, 2021 has been reversed by derecognizing such assets as credit impaired.

(ii) **Events after reporting date** - There have been no events after the reporting date that require disclosure in these financial statements.



Note 54 - Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements :

Name of the entity in the Group	Net Assets, i.e. total assets minus total liability		Share in Profit or Loss		Share in Other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ in millions)	As % of Consolidated Profit or Loss	Amount (₹ in millions)	As % of Consolidated other comprehensive income	Amount (₹ in millions)	As % of total Comprehensive income	Amount (₹ in millions)
Parent								
Capri Global Capital Limited (net off elimination)	93.02%	17,883.54	79.83%	1,636.86	65.23%	(3.21)	79.87%	1,633.65
Subsidiaries								
Indian								
Capri Global Housing Finance Limited (net off elimination)	6.98%	1,341.17	20.17%	413.55	34.77%	(1.71)	20.13%	411.84
Total	100.00%	19,224.71	100.00%	2,050.41	100.00%	(4.92)	100.00%	2,045.49



Note 55 - Previous year figures

Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

In terms of our report attached

For M M Nissim & Co LLP

Chartered Accountants

(Firm's Registration No. 107122W/W100672)

S. Khemani



Sanjay Khemani

Partner

Membership No. 044577

Place: Mumbai

Date: May 21, 2022

For and on behalf of the Board of Directors

Rajesh Sharma

(Rajesh Sharma)

Managing Director &
Chief Financial Officer

DIN 00020037

Beni Prasad Rauka

(Beni Prasad Rauka)

Independent Director

DIN 00295213

Yashesh Bhatt

(Yashesh Bhatt)

Company Secretary

ACS-20491

Place: Mumbai

Date: May 21, 2022