

Independent Auditor's Report

To the Members of Capri Global Capital Limited Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Capri Global Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with 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 state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter (Continued)

5. We have determined the matter 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 2.4 for significant accounting policies and Note 39.2 for credit risk disclosures)	
<p>As at 31 March 2022, the Company has reported gross loan assets of ₹ 47,178.27 million against which an impairment loss of ₹1,407.39 million has been recorded. The Company 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 Company's historical data. During the previous and current years, RBI announced various relief measures for the borrowers which were implemented by the Company 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 "Resolution Framework for COVID-19 related Stress" (the 'Resolution</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 Company 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 Company'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 Company and the basis for classification of various exposures into various stages. Further, assessed the



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. On the basis of an estimate made by the management, an overlay to the tune of Rs 340.25 million has been recognized by the Company 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 Company. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the economy including expected impairment losses.

Disclosure

The disclosures regarding the Company'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.

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.

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) and loss given default (LGD);

- 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 Company'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 39.2 "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.

Information Technology system for the financial reporting process

The company 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 company has put in place the IT General Controls and application controls to ensure that the information produced by the company is complete, accurate and reliable. Among

Our audit procedures for assessment of the IT systems and controls with reference to financial statements, included but were not limited to the following:

- Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system



other things, the Management also uses the information produced by the entity's IT systems for accounting, preparation and the presentation of the financial statements.

Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the audit of IT systems and related control environment for accounting and financial reporting as a key audit matter.

backup and incident management and application controls relevant to our audit.

- 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.

Information other than the Financial Statements and Auditor's Report thereon

6. The 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 standalone 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 standalone 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 standalone 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 standalone 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 Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Management and the 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Board of Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
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 standalone 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;



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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the standalone financial statements in place 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 Board of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
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 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 standalone financial statements of the Company 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 standalone financial statements vide their audit report dated 17 June 2021.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors 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 Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II 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:
 - i. the Company, has disclosed the impact of pending litigations on its financial position as at 31 March 2022 in the standalone financial statements as detailed in note 48;



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

- ii. The Company did not have any material foreseeable losses, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company 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 Company to or in any person or entity, 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 Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. 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 Company is in compliance with section 123 of the Act.

For **M M Nissim & Co LLP**

Chartered Accountants

Firm's Registration No: 107122W/W100672



Sanjay Khemani

Partner

Membership No. 044577

UDIN: 22044577AJJZCS3974



Mumbai

21 May 2022

Annexure II

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

(Referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the standalone financial statements of Capri Global Capital Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.



Annexure B to the Independent Auditor's Report of even date to the members of Capri Global Capital Limited on the standalone 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 financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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



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

Opinion

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

For M M Nissim & Co LLP
Chartered Accountants

Firm's Registration No: 107122W/W100672



Sanjay Khemani
Partner

Membership No. 044577

UDIN: 22044577AJJZCS3974



Mumbai
21 May 2022

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Capri Global Capital Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets including quantitative details and situation of these assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. As per information and explanation given to us and as verified by us, the property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- e. According to information and explanations given to us and as verified by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- b. The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and as per the information and explanations given to us and as verified by us, such returns/statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- iii. a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.



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

b. The investments made and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest. Company has not provided any guarantee and also not given security to any party.

c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

Outstanding as on 31 March 2022 for overdue loans

Particulars - Days past due	Total amount outstanding (in million)	No. of Cases
1-30 days	1,471.94	1,056
31-60 days	3,317.60	1,453
61-90 days	1,958.13	945
More than 90 days	1,299.84	623
Total	8,047.52	4,077

d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 1,299.84 million as at 31 March 2022 in respect of 623 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. The Company has not granted loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment except to Capri Global Resources Private Limited (a subsidiary company till 15 January 2022). The details of the same are as under:



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

Particulars	All Parties	Promoters	Related Party*
Aggregate of Loans / advances in the nature of loans:			
- Which are repayable on demand (A)	-	-	-
- Where agreement does not specify any terms or period of repayment (Including opening balance Rs. 0.2 million) (B)	-	-	Rs. 0.7 million
Total (A + B)	-	-	Rs. 0.7 million
Repayment received			Rs. 0.7 million
Balance as at 31 st March 2022			-
Percentage of loans and advances in the nature of loans to the total loan as at 31 st March 2022			-

* The loans were granted and repaid when the said Company was a 100% subsidiary.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and Section 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and securities as applicable.
- v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii.
 - a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:



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

Name of the statute	Nature of dues	Gross Amount (₹ in million)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Assessment u/s 143 (3)	104.21	Nil	Assessment Year 2016-17	CIT (Appeals)
Income Tax Act, 1961	Assessment u/s 143 (3)	2.90	Nil	Assessment Year 2017-18	CIT (Appeals)
Income Tax Act, 1961	Assessment u/s 147	2.76	Nil	Assessment Year 2017-18	CIT (Appeals)
Income Tax Act, 1961	Assessment u/s 143 (3)	3.74	Nil	Assessment Year 2018-19	CIT (Appeals)
Income Tax Act, 1961	Intimation u/s 143 (1)(a)	0.66	Nil	Assessment Year 2020-21	Rectification with Assessing officer

- viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.



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

- e. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures. Accordingly, Clause 3(x)(b) of the order is not applicable.
- xi. a. According to the information and explanations given to us and as verified by us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- b. According to the information and explanations given to us and as verified by us, no report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.



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

- b. We have considered the reports issued by the Internal Auditors during the year for the period up to 31st March 2022.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- b. During the year, the Company has not conducted any Non Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year in view of their ineligibility to continue as Statutory Auditors of the Company, upon the completion of the stipulated tenure as per the said RBI Guidelines and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



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

- xx. Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M Nissim & Co LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

Sanjay Khemani

Partner

Membership No. 044577

UDIN: 22044577AJJZCS3974



Mumbai
21 May 2022

CAPRI GLOBAL CAPITAL LIMITED
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	910.86	1,537.93
(b)	Bank Balances other than cash and cash equivalents	4	16.12	100.99
(c)	Receivables	5	81.64	15.09
(d)	Loans	6	45,770.88	35,642.10
(e)	Investments	7	6,441.71	7,019.16
(f)	Other financial assets	8	217.01	100.13
	Total Financial Assets		53,438.22	44,415.40
(2)	Non-Financial assets			
(a)	Current Tax Assets (Net)	9	90.94	45.96
(b)	Deferred tax assets (Net)	10	293.17	213.07
(c)	Property, plant and equipment		253.42	231.92
(d)	Intangible Assets Under Development	11	12.39	0.69
(e)	Other intangible assets		20.33	13.07
(f)	Other non-financial assets	12	331.59	188.22
	Total Non-Financial Assets		1,001.84	692.93
	Total Assets		54,440.06	45,108.33
	EQUITY AND LIABILITIES			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Derivative financial instruments	15A	8.63	-
(b)	Payables	13		
	(A) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		0.99	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		271.21	44.09
	(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		62.04	57.85
(c)	Debt Securities	14	4,330.90	6,492.81
(d)	Borrowings (Other than Debt Securities)	15B	29,174.62	19,686.07
(e)	Other Financial Liabilities	16	2,460.43	2,349.71
	Total Financial Liabilities		36,308.82	28,630.53
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities (Net)	17	24.85	80.72
(b)	Provisions	18	135.53	103.13
(c)	Other non-financial liabilities	19	76.33	21.27
	Total Non-Financial Liabilities		236.71	205.12
	Total Liabilities		36,545.53	28,835.65
(3)	EQUITY			
(a)	Equity Share Capital	20	351.31	350.57
(b)	Other equity	21	17,543.22	15,922.11
	Total Equity		17,894.53	16,272.68
	Total Equity and Liabilities		54,440.06	45,108.33

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



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

CAPRI GLOBAL CAPITAL LIMITED**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	22	6,471.07	5,343.77
(ii)	Dividend Income		1.23	1.18
(iii)	Fees and commission Income	23	489.35	14.75
(iv)	Net Gain on Derecognition of Financial Instruments		170.01	-
(v)	Net gain on fair value changes	24	194.12	178.68
(vi)	Sale of Service		137.06	91.46
(vii)	Other operating income	25	172.23	113.48
(I)	Total Revenue from Operations		7,635.07	5,743.32
(II)	Other Income	26	20.44	17.21
(III)	Total Income (I+II)		7,655.51	5,760.53
	Expenses			
(i)	Finance costs	27	2,354.85	2,085.20
(ii)	Fees and commission Expense		190.79	-
(iii)	Impairment on financial instruments	28	797.23	516.95
(iv)	Employee benefit expenses	29	1,514.48	825.83
(v)	Depreciation and amortisation expense	11	73.14	85.27
(vi)	Other expenses	30	555.77	317.90
(IV)	Total expenses		5,486.26	3,831.15
(V)	Profit before Tax (III-IV)		2,169.25	1,929.38
	Tax expense			
	- Current tax	34	624.71	587.15
	- Deferred tax	35	(80.10)	(92.95)
	- Tax Pertaining to earlier years		5.80	-
(VI)	Total tax expense		550.41	494.20
(VII)	Net Profit After Tax (V-VI)		1,618.84	1,435.18
(VIII)	Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans	31	0.01	5.90
	Income Tax impact on above		-	(1.48)
	Total (A)		0.01	4.42
	(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		(4.30)	-
	Income Tax impact on above		1.08	-
	Total (B)		(3.22)	-
	Other Comprehensive Income (A) + (B)		(3.21)	4.42
(IX)	Total comprehensive income (VII+VIII)		1,615.63	1,439.60
(X)	Earnings per equity share (of ₹ 2 Each)			
	Basic (₹)		9.23	8.19
	Diluted (₹)		9.13	8.13

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

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
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	2,169.25	1,929.38
Adjustments for:		
Depreciation & amortisation	73.14	85.27
Impairment on financial instruments	797.23	516.95
Net gain on fair valuation of financial instruments	(194.12)	(178.68)
Net gain on derecognition of financial instruments	(170.01)	-
Loss/(Gain) on sale of fixed assets	(1.36)	0.14
Gain on sale of investment property	(0.14)	-
Gain on sale of investments	(0.28)	-
Share based payments to employees	50.10	20.85
Dividend income	(1.23)	(1.18)
Fair value of derivative	(4.30)	-
Interest on lease liability	19.88	22.96
Interest income	(6,471.07)	(5,343.77)
Finance cost	2,354.85	2,085.19
Interest received	6,412.66	5,259.90
Interest paid	(2,467.30)	(1,757.18)
Operating profit before working capital changes	2,567.30	2,639.83
Working capital changes		
Loans	(10,775.11)	(5,580.36)
Trade receivables & other financial assets	(59.69)	(36.28)
Other non-financial assets	(151.75)	(21.48)
Trade payables	232.31	(3.86)
Other financial liability	233.34	2,148.23
Other non-financial liability	55.06	13.31
Provision	(16.35)	43.81
Cash flows (used in)/generated from operating activities	(7,914.89)	(796.80)
Income tax paid	(730.27)	(583.76)
Net cash flows (used in)/generated from operating activities	(8,645.16)	(1,380.56)
Cash Flow From Investing activities		
Increase/(decrease) in Fixed deposits not considered as cash and cash equivalent	84.33	(20.00)
Purchase of fixed and intangible assets	(74.04)	(41.50)
Intangible assets under development	(11.70)	1.28
Proceeds from sale of property and equipment	3.91	0.97
Sale/(Purchase) of investment in mutual funds (net)	(518.26)	1,045.49
Proceeds from sale of investment	3,050.21	-
Purchase of investment	(1,757.04)	(3,649.60)
Dividend received	1.23	1.18
Net cash flows (used in)/generated from investing activities	778.64	(2,662.18)
Cash Flow From Financing activities		
Debt securities issued	-	5,000.00
Debt securities redeemed	(2,166.67)	-
Proceed from borrowings other than debt securities	13,200.00	8,800.00
Repayment of borrowings other than debt securities repaid	(4,361.15)	(8,619.42)
Other short term loan (net)	654.26	-
Payments for the principal portion of the lease liability	(23.27)	(26.40)
Payments for the interest portion of the lease liability	(19.88)	(22.96)
Dividends paid	(70.14)	(35.03)
Issue of Equity Share	26.29	21.09
Net cash flows (used in)/generated from financing activities	7,239.44	5,117.28
Net increase in cash and cash equivalents	(627.08)	1,074.54
Cash and cash equivalents at April 1, 2021	1,538.15	463.61
Cash and cash equivalents at March 31, 2022	911.07	1,538.15
Components of cash and cash equivalents		
Cash on hand	11.40	9.22
Balances with banks		
In current accounts	893.21	1,528.71
In Unclaimed Dividend Account	0.21	0.22
Cheques on hand	6.25	-
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	-	-
Total cash and cash equivalents	911.07	1,538.15

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

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

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



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

A. EQUITY SHARE CAPITAL

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

B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-1C of the RBI Act, 1934	Employee Benefit Expenses (Gratuity - OCI)	Hedging Reserve (Forward Contract - OCI)
Balance as at April 1, 2020	642.05	4,471.00	7,180.32	57.92	2,120.04	4.57	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	642.05	4,471.00	7,180.32	57.92	2,120.04	4.57	-
Profit for the year	-	-	1,435.18	-	-	-	-
Other Comprehensive Income / (losses)	-	-	-	-	-	4.42	-
Dividends	-	-	(35.03)	-	-	-	-
Transfer from retained earnings	-	-	(287.92)	-	-	-	-
Addition during the Year	-	20.79	-	20.85	287.92	-	-
Balance as at March 31, 2021	642.05	4,491.79	8,292.55	78.77	2,407.96	8.99	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	642.05	4,491.79	8,292.55	78.77	2,407.96	8.99	-
Profit for the year	-	-	1,618.84	-	-	-	-
Other Comprehensive Income / (losses)	-	-	(70.14)	-	-	0.01	(3.21)
Dividends	-	-	(323.77)	-	-	-	-
Transfer from retained earnings	-	49.34	-	26.28	323.77	-	-
Addition during the Year	-	-	-	105.05	2,731.73	9.00	(3.22)
Balance as at March 31, 2022	642.05	4,541.13	9,517.48	105.05	2,731.73	9.00	(3.22)
							17,543.22

(₹ in millions)

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

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



Shemani

Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

Beni Prasad Rauka

(Beni Prasad Rauka)
Managing Director &
Chief Financial Officer
DIN 00020037

Yashesh Bhatt
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022



CAPRI GLOBAL CAPITAL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate Information

Capri Global Capital Limited (the 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 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.

The standalone 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 standalone financial statements of the Company 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 standalone 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 standalone 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 Company are discussed in Note 2.13- Significant accounting judgements, estimates and assumptions.

The standalone 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 standalone financial statements of the Company 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:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3. Statement of compliance

The standalone 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 Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet on trade date, i.e. when the company 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 Company classifies its financial assets into the following measurement categories:

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

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

Business model assessment

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

The Company'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 Company'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 Company's original expectations, the Company 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 Company 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 Company 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 Company 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 Company 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 Company'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 Company.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company 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 Company 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 Company 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 Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

A transfer only qualifies for derecognition if either:

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

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

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

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 Company 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 Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs), Construction Finance and Indirect Lending.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company 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 Company 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 Company 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 company 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 company on terms that the company 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 Company 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 Company in accordance with the contract and the cash flows that the Company 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 company 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 Company 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 Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, company repossess assets under SARFASI/ arbitration Act, but do not transfer these assets in its book of accounts. The company 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 Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company 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 Company 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 Company.

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

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

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



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

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

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 Company will classify the instruments as Level 3.

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

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

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 Company 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 Company 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.

2.5 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 company 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 Company 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 Company 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 Company 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

Step 5: Recognise revenue when (or as) the Company 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 Company 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 Company 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 over the contractual tenure of the loan for Construction finance and Indirect lending.

2.6 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 Company 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 Company contribute monthly at a stipulated rate. The Company 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 Company 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 Company 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 Company 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 Company 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 company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Company 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 Company 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 Company 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 Company operates and generates taxable income.

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

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.

2.7 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.

2.8 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.

2.9 Intangible assets

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

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.

2.10 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.



2.11 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 Company 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 Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 Earning Per Share

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

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.

2.13 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 recognized in the financial statements is included in the following notes:

(i) **Defined employee benefit assets and liabilities** - Refer 2.6(ii)

(ii) **Impairment of loans portfolio** - Refer 2.4(vii)

(iii) **Effective Interest Rate (EIR) method** - Refer 2.5(i) and 2.6(i)

(iv) **Lease accounting** - Refer 2.6(iii)

(v) **Impairment test of non-financial assets** - Refer 2.6(v)

(vi) **Useful life of property, plant, equipment and intangibles** - Refer 2.8 & 2.9

(vii) **Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions** - Refer 2.6(vi)

(viii) **Recognition and Measurement of Provision and Contingencies** - Refer 2.10 and 2.11

(ix) **Determination of the fair value of financial instruments** - Refer 2.4(ix)

(x) **Business Model Assessment** - Refer 2.4(i)

2.14 Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Company 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	11.40	9.22
Cheques on hand	6.25	-
Balances with banks:		
- In Current Accounts	893.21	1,528.71
Total	910.86	1,537.93

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	15.91	100.77
- Unclaimed Dividend Account	0.21	0.22
Total	16.12	100.99

Balance in deposit accounts with banks are being earmarked towards Overdraft facilities and against Customer Advance. Deposits are made for varying period from 6 Month to 2 years and earn interest at the respective fixed rates.



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	-	-
-Outstanding for a period less than six months	81.64	15.09
	81.64	15.09

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Company 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 company 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	-	15.04	0.04	0.01	-	-	15.09
(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 and advances

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured (Amortised Cost)		
Term Loans	47,177.33	36,639.83
Unsecured (Amortised Cost)		
Loan to employees	0.94	1.19
Loans and advances to related parties - Subsidiary	-	0.20
Total – Gross (A)	47,178.27	36,641.22
Less: Expected Credit Loss	(1,407.39)	(999.12)
Total – Net (A)	45,770.88	35,642.10
(a) Secured by Tangible Assets	44,055.00	33,559.24
(b) Secured by Book Debts	3,122.33	3,080.59
(c) Unsecured	0.94	1.39
Total – Gross (B)	47,178.27	36,641.22
Less: Expected Credit Loss	(1,407.39)	(999.12)
Total – Net (B)	45,770.88	35,642.10
Loans in India		
(i) Public Sector	-	-
(ii) Others	47,178.27	36,641.22
Total - Gross (C)	47,178.27	36,641.22
Less: Expected Credit Loss	(1,407.39)	(999.12)
Total – Net (C)	45,770.88	35,642.10

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

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

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



Note 7 - Investments

(₹ in millions)

Investments	As at March 31, 2022			
	At Fair Value Through profit or loss	At Amortized Cost	Others*	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Investments in Mutual funds	2,304.43	-	-	2,304.43
Investments in Debt Securities	-	-	-	-
- Debt Instrument	-	247.66	-	247.66
- Pass Through Certificates	-	591.51	-	591.51
Investments in Equity Instruments	48.11	-	-	48.11
Investments in Subsidiaries	-	-	3,250.00	3,250.00
Total	2,352.54	839.17	3,250.00	6,441.71
(I) Investments outside India	-	-	-	-
(II) Investments in India	2,352.54	839.17	3,250.00	6,441.71
Total	2,352.54	839.17	3,250.00	6,441.71

(₹ in millions)

Investments	As at March 31, 2021			
	At Fair Value Through profit or loss	At Amortized Cost	Others*	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Investments in Mutual funds	1,588.71	-	-	1,588.71
Investments in Commercial Paper	-	959.13	-	959.13
Investments in Debt Securities	-	-	-	-
- Debt Instrument	-	952.76	-	952.76
- Pass Through Certificates	-	1,729.83	-	1,729.83
Investments in Equity Instruments	38.73	-	-	38.73
Investments in Subsidiaries	-	-	1,750.00	1,750.00
Total	1,627.44	3,641.72	1,750.00	7,019.16
(I) Investments outside India	-	-	-	-
(II) Investments in India	1,627.44	3,641.72	1,750.00	7,019.16
Total	1,627.44	3,641.72	1,750.00	7,019.16

* As per para 10 of Ind AS 27, the Company has opted to account the Investments in subsidiary entity at cost.

Particulars	As at March 31, 2022 Numbers/Units	As at March 31, 2021 Numbers/Units
Investment in Subsidiaries		
1. Capri Global Housing Finance Limited Equity Shares of Rs. 10/- each fully paid up	7,12,03,790.00	6,07,14,280.00
2. Capri Global Resources Private Limited Equity Shares of Rs. 10/- each fully paid up	-	11,05,000.00
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	-	1,58,84,064.32
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	-
Investment in Bonds		
1. Aditya Birla Finance Limited SR PMLD 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	1,168.00	2,318.00



Note 8 - Other Financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	25.11	15.73
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	3.06	-
Receivable from Subsidiary Company	16.75	9.68
Receivable on sale of Investment in Equity share	-	27.50
Spread receivable on assigned portfolio	168.45	-
Other Receivable	1.61	0.48
Total	217.01	100.13



Note 9 - Current Tax Assets (Net)

Particulars	(₹ in millions)	
	As at March 31, 2022	As at March 31, 2021
Advance Tax	90.94	45.96
[net of provision for tax of ₹ 2,940.50 Millions (March 31, 2021 ₹ 1,845.71 Millions)]		
Total	90.94	45.96

Note 10 - Deferred Tax Assets

The major components of deferred tax assets and liabilities are :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
a) Depreciation	20.27	-	19.38	-
b) Unmortised fees on borrowings	-	0.65	-	2.54
c) Impairment allowance for financial assets	297.69	-	166.59	-
d) Provision for Employee Benefits	12.28	-	10.04	-
e) Others	5.01	-	7.68	-
f) Unmortised fees on loans	2.79	-	13.75	-
g) Financial Instruments at FVTPL	-	1.82	-	1.83
h) Gain on derecognition of financial instruments	-	42.40	-	-
Total	338.04	44.87	217.44	4.37
Net Deferred Tax Asset		293.17		213.07

Refer Note 35 for Deferred tax movement

Note 12 - Other Non-Financial Assets

Particulars	(₹ in millions)	
	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	42.98	48.24
Less: Provision on Assets held for sale	(42.98)	(44.48)
Net Assets Held for Sale	-	3.76
Prepaid Expenses	26.25	14.92
Accrued Income	141.29	6.14
Advance to vendor	7.07	9.79
Other Assets	3.74	0.74
Deferred lease rentals	-	8.52
Total	331.59	188.22



Note 11 - Property, plant and equipment & Intangible Assets

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	1.82	-	5.20	7.02
Computer Hardware	65.16	40.10	12.85	92.41	17.11	12.08	56.80	13.39
Furniture and Fixtures	42.22	1.45	0.71	42.96	3.51	0.57	31.96	13.20
Office Equipments	24.32	2.48	3.37	23.43	1.57	3.14	19.55	3.20
Vehicles	56.72	8.51	8.58	56.65	5.32	5.41	39.40	17.23
Electrical Installation	9.64	-	-	9.64	0.73	-	7.54	2.83
Right of Use	264.10	41.09	20.84	284.35	28.73	11.92	108.07	172.84
Total	487.71	93.63	46.35	534.99	58.90	33.12	281.57	253.42

Intangible Assets under development:

Particulars	GROSS		
	As at April 01, 2021	Additions	As at March 31, 2022
Software	0.69	12.71	12.39
Total	0.69	12.71	12.39

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	68.13	21.50	-	89.63	14.24	-	69.30	13.07
Total	68.13	21.50	-	89.63	14.24	-	69.30	13.07



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	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Buildings :									
Buildings	2.70	-	-	2.70	0.38	0.11	-	0.49	2.32
Leasehold Premises	22.85	-	-	22.85	13.38	2.45	-	15.83	7.02
Computer Hardware	62.24	9.56	6.64	65.16	50.17	7.90	6.30	51.77	13.39
Furniture and Fixtures	40.39	1.85	0.02	42.22	24.69	4.34	0.01	29.02	13.20
Office Equipments	23.15	1.48	0.31	24.32	19.68	1.73	0.29	21.12	3.20
Vehicles	50.89	6.93	1.10	56.72	33.91	5.95	0.37	39.49	17.23
Electrical Installation	9.61	0.03	-	9.64	5.83	0.98	-	6.81	2.83
Right of Use	255.95	8.15	-	264.10	46.00	45.26	-	91.26	172.84
Total	467.78	28.00	8.07	487.71	194.04	68.72	6.97	255.79	231.92

Intangible Assets under development :

Particulars	GROSS		
	As at April 01, 2020	Additions	As at March 31, 2021
Software	1.97	6.67	7.95
Total	1.97	6.67	7.95

Intangible assets :

Particulars	GROSS				DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Software	54.65	13.48	-	68.13	38.52	16.54	-	55.06	13.07
Total	54.65	13.48	-	68.13	38.52	16.54	-	55.06	13.07



Note 13 - 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*	0.99	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	271.21	44.09
Total	272.20	44.09

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(₹ in millions)		
Particulars	As at March 31, 2022	As at March 31, 2021
1) Principal amount due and remaining unpaid	0.99	-
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	-	-

Ageing schedule

(1) Current year (₹ in millions)						
Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	0.99	-	-	-	0.99
(ii) Others	267.31	2.69	0.08	1.13	-	271.21
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

(2) Previous year (₹ in millions)						
Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	36.91	2.79	1.04	0.02	3.33	44.09
(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	62.04	57.85
Total	62.04	57.85

(1) Current year (₹ in millions)						
Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Others	-	61.99	0.05	-	-	62.04

(2) Previous year (₹ in millions)						
Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Others	-	50.93	5.40	0.74	0.78	57.85



Note 14 - 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	6,492.81	6,492.81
Total (A)	4,330.90	4,330.90	6,492.81	6,492.81
Debt securities in India	4,330.90	4,330.90	6,492.81	6,492.81
Debt securities outside India	-	-	-	-
Total (B)	4,330.90	4,330.90	6,492.81	6,492.81

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

(₹ 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 Rs.10 Lacs)	09-08-2029	Bullet payment on maturity	10.23%	1,500.00	1,500.00
Series 8 (FV Rs.10 Lacs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	333.33	500.00
Series 6 (FV Rs.10 Lacs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	500.00
Series 5 (FV Rs.10 Lacs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	2,000.00
Series 9 (FV Rs.10 Lacs)	04-02-2022	Bullet payment on maturity	8.35%	-	1,500.00
Series 7 (FV Rs.10 Lacs)	16-01-2022	Bullet payment on maturity	8.25%	-	500.00
Total (A)				4,333.33	6,500.00
Less : Unamortised borrowing cost (B)				(2.43)	(7.19)
Total (A+B)				4,330.90	6,492.81

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 41**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 company with asset cover range of 1.25 to 1.33 times.



Note 15A - 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	4,238.82	-	8.63	-	-	-
Total Derivative Financial Instruments	4,238.82	-	8.63	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cashflow Hedging:						
-Currency Derivatives : Forwards	4,238.82	-	8.63	-	-	-
Total Derivative Financial Instruments	4,238.82	-	8.63	-	-	-

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



Note 15B - 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*	23,985.57	16,953.78
Term Loans from others**	4,487.50	2,685.00
Loan Repayable on Demand		
From Banks (Cash Credit)	701.55	47.29
Total (A)	29,174.62	19,686.07
Borrowings in India	29,174.62	19,686.07
Borrowings outside India	-	-
Total (B)	29,174.62	19,686.07

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts, bank balance and investments with asset cover in the range of 1.20 to 1.33 times and weighted average cost for FY 21-22 is 8.44% p.a. and for FY 20-21 is 9.72% p.a.

** Exclusive charge by way of hypothecation of Company's loan receivables with minimum assets cover of 1.25 times in favour of borrowing from NABARD of Rs. 3600 million.

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

8.27% p.a. and for FY 20-21 is 9.59% p.a.

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	8% - 9.50%	5,416.05	2,695.14
Term Loans	3-5 yrs	8% - 9.50%	13,184.78	12,087.97
Term Loans	5-7 yrs	8% - 9.50%	9,999.43	4,981.52
Total (A)			28,600.26	19,764.63
Less : Unamortised borrowing cost (B)			(127.19)	(125.85)
Total (A+B)			28,473.07	19,638.78



Note 16 - Other Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Book Overdraft	1,893.70	1,660.04
Unclaimed dividend	0.21	0.22
Margin money received from Customers	95.39	128.79
Advance from Customers	1.55	3.29
Lease Liability	196.21	197.55
Interest Accrued but not due on borrowings	238.17	359.45
Other Financial Liabilities	35.20	0.37
Total	2,460.43	2,349.71

Note 17 - Current tax liabilities (Net)

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax [net of advance tax of ₹ 563.79 Millions (March 31, 2021 ₹ 1,035.24)]	24.85	80.72
Total	24.85	80.72

Note 18 - Provisions

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision on non-fund exposure	76.39	27.64
Provision for Interest on Interest Waiver	-	34.31
Provision for Employee Benefits		
- Gratuity	10.36	4.46
- Compensated Absences	48.78	36.72
Total	135.53	103.13

Note 19 - Other non-financial liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	76.33	21.27
Total	76.33	21.27



Note 20 - 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:

(₹ in millions)

Particulars	As at Mar 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
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 Company has allotted 3,68,700 equity shares of ₹ 2/- each for consideration of ₹ 21.60 Millions as ESOPs. In previous year the 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 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 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 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	-	-	4,37,64,630	24.97%	-100.00%
Ramesh Chandra Sharma Huf	-	-	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%	-	-	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	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 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 Company declares and pays dividends in Indian Rupees.

2. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be 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 45)

Objective for managing capital:

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



Note 21 - Other equity

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</u>		
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
<u>Securities premium</u>		
Balance as per the last financial statements	4,491.79	4,471.00
Add: On account of ESOP Exercised	49.34	20.79
Closing balance	4,541.13	4,491.79
<u>General Reserve</u>		
Balance as per the last financial statements	642.05	642.05
Closing balance	642.05	642.05
<u>Other reserves & surplus - Employee stock option outstanding</u>		
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
<u>Retained earnings (Surplus in profit & loss account)</u>		
Surplus in statement of profit and loss	8,301.54	7,184.89
Profit for the year	1,618.84	1,435.18
Other Comprehensive Income	(3.21)	4.42
Dividend Paid	(70.14)	(35.03)
Transfer to Reserve Fund under Section 45-IC of Reserve Bank of India Act, 1934	(323.77)	(287.92)
	9,523.26	8,301.54
TOTAL	17,543.22	15,922.11

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 Company 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.

Employee stock option outstanding reserves

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 22 - 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	6,269.39	5,292.85
Interest on deposits	20.66	38.04
Interest income from investments	179.39	12.88
Interest on Others	1.63	-
Total	6,471.07	5,343.77



Note 23 - Fee and commission Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Application fees	22.39	11.90
Commission on loan sourcing	466.96	2.85
Total	489.35	14.75



Note 24 - 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	139.49	17.13
- Mutual Fund & Bonds	54.63	161.55
(B) Total Net gain on fair value changes	194.12	178.68
(C) Fair Value changes:		
-Realised	186.90	171.41
-Unrealised	7.22	7.27
Total Net gain on fair value changes	194.12	178.68



Note 25 - Other Operating Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreclosure Fees	80.19	61.85
Bad Debts Recovered	0.34	1.10
Other charges	91.70	50.53
Total	172.23	113.48

Note 26 - Other Income

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of Investment Property	0.14	-
Profit on sale of Investment	0.28	-
Interest on Income Tax Refund	-	4.68
Service Fees from Subsidiary	12.00	12.00
Write Back	5.88	-
Other Income	2.14	0.53
Total	20.44	17.21



Note 27 - Finance Costs

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest on borrowings Other than debt Securities	1,775.96	1,563.68
Interest on Bank Overdraft	-	0.28
Interest on debt securities	551.89	496.00
Interest on Bank CC	7.12	2.28
Interest on Lease Liability	19.88	22.96
Total	2,354.85	2,085.20



Note 28 - 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	408.19	468.84
Loan commitments	48.75	(6.14)
Bad Debts Written Off	340.29	54.25
Total impairment loss	797.23	516.95



Note 29 - Employee Benefits Expenses

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Bonus	1,364.44	746.06
Contribution to Provident Fund and Other Funds	71.62	42.72
Staff Training and Welfare Expenses	28.32	10.45
Share Based Payments to employees	50.10	26.60
Total	1,514.48	825.83



Note 30 - Other Expenses

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertising	4.54	6.24
Auditors' Remuneration	4.20	4.22
Business Development Expenses	22.92	6.98
Corporate Social Responsibility Expenses*	38.67	34.11
Directors' Fees and Commission	6.41	6.21
Electricity Charges	5.57	5.22
Legal Expenses	157.69	89.79
Loss On Sale of Fixed Assets	0.39	0.14
Membership & Subscription Expenses	2.47	2.45
Processing Fees on Co Lending	0.03	-
Postage, Telephone and Fax	19.44	18.13
Printing and Stationery	14.00	5.35
Recruitment Expenses	36.12	13.93
Rent	20.15	-0.27
Software Expenses	46.82	24.87
Filing & Other Fees to ROC	0.03	0.06
Travelling and Conveyance	89.00	45.15
Service fees Subsidiary	33.10	16.28
NOC Review Charges	13.52	18.43
Write off - Others	1.34	-
Miscellaneous Expenses	39.36	20.61
Total	555.77	317.90

*The above CSR expenses includes ₹ 0.36 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	1.50	1.30
b) For Tax Audit	0.30	0.30
c) For Limited Review	0.90	0.90
d) For other services (Certification Fees and Interim audit Fees)	0.97	1.38
e) For reimbursement of expenses	0.06	0.11
f) GST to the extent of ITC not availed	0.47	0.23
Total	4.20	4.22

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	38.67	34.11
Amount spent during the year on CSR		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	38.67	34.11
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. 41	Refer note no. 41

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 Company has not traded or invested in crypto currency or virtual currency during the financial year



Note 31 -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 gain on defined benefit plan	0.01	5.90
Income tax relating to these items	-	(1.48)
Items that may be reclassified to profit or loss		
Fair Value Gain on time value of forward element of forward contract in hedging relationship	(4.30)	-
Income tax relating to these items	1.08	-
Total comprehensive income for the year, net of tax	(3.21)	4.42



Note 32 - MSME 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	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:

(₹ 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	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:

(₹ 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	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 (In %)		
Particulars	As at March 31, 2022	As at March 31, 2021
LGD	27.04	25.50

Probability of Default (In %)		
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



Note 32.1- 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

Loan Given Default (In %)		
Particulars	As at March 31, 2022	As at March 31, 2021
LGD	20.70	19.09

Probability of Default\$ (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

The extent to which any new wave of COVID-19 pandemic will impact the Company'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 Company 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 Company carries a management and macro economic variable outlay of ₹ 340.25 millions as on March 31, 2022 (as on March 31, 2021 ₹ 152.70 millions). The Company will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.



Note 34 - 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	624.71	587.15
In respect of prior years	5.80	-
	630.51	587.15
Deferred Tax		
In respect of the current year	(80.10)	(92.95)
On Other Comprehensive Income		
	(80.10)	(92.95)
Total Income tax expense recognised in the current year relating to continuing operations	550.41	494.20

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
Standalone Profit Before tax	2,169.25	1,929.38
Total tax expense (As per P&L)		
- Current tax	624.71	587.15
- Deferred tax	(80.10)	(92.95)
Total Tax Expenses	544.61	494.20
Effective tax rate	25.11	25.61
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due Permanent Difference		
a) Non allowability of Claim of CSR	38.67	34.11
b) Earlier year provision for ECL / Lease adjustments	8.83	
c) STT & Brokerage	0.72	
d) Loss on Sale of Fixed assets	(0.42)	0.14
e) Deduction under Chapter VI A u/s 80M & 80JJA	(8.77)	
Total (A)	39.03	34.25
Difference due to Tax Rate of STCG	139.49	
Total (B)	139.49	
Total of items affecting tax rate (A+B)	178.52	34.25

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
Effect in Tax rate due to permanent difference	0.45	0.45
Difference due to Tax Rate of STCG	(0.51)	-
Effective Tax Rate	25.11	25.61



Note 35 - Deferred Tax

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

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	10.04	2.24		12.28
Depreciation	19.38	0.89		20.27
Impairment allowance for financial assets	166.59	131.10		297.69
Unmortised fees on loans	13.75	(10.96)		2.79
Others	7.68	(2.67)		5.01
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	(1.83)	0.01		(1.82)
Unmortised fees on borrowings	(2.54)	1.89		(0.65)
Gain on derecognition of financial instruments*	-	(42.40)		(42.40)
Deferred Tax Assets (net)	213.07	80.10	-	293.17

*As per Ind AS 109 'Financial Instruments', on derecognition of loans, the Company 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).

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	7.55	2.49	-	10.04
Depreciation	17.97	1.41	-	19.38
Impairment allowance for financial assets	81.05	85.54	-	166.59
Unmortised fees on loans	16.88	(3.13)	-	13.75
Others	3.53	4.15	-	7.68
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	-	(1.83)	-	(1.83)
Unmortised fees on borrowings	(6.84)	4.30	-	(2.54)
Deferred Tax Assets (net)	120.14	92.93	-	213.07

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



Note 36 - 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 Company uses the same basis of expected repayment as used for estimating the EIR.

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
	(₹ in millions)					
ASSETS						
Financial Assets						
Cash and cash equivalents	910.86	-	910.86	1,537.93	-	1,537.93
Bank Balances other than cash and cash equivalents	16.04	0.08	16.12	100.79	0.20	100.99
Receivables	81.64	-	81.64	15.09	-	15.09
Loans	6,939.30	38,831.58	45,770.88	6,262.20	29,379.90	35,642.10
Investments	2,358.39	4,083.32	6,441.71	3,674.41	3,344.75	7,019.16
Other financial Assets	82.44	134.57	217.01	84.40	15.73	100.13
Total Financial Assets	10,388.67	43,049.55	53,438.22	11,674.82	32,740.58	44,415.40
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	8.63	-	8.63	-	-	-
Payables	-	-	-	-	-	-
-Trade Payables	272.20	-	272.20	44.09	-	44.09
-Other Payables	62.04	-	62.04	57.85	-	57.85
Debt Securities	166.67	4,164.23	4,330.90	2,166.67	4,326.14	6,492.81
Borrowings (Other than debt securities)	6,450.05	22,724.57	29,174.62	4,038.17	15,647.90	19,686.07
Other financial liabilities	2,170.01	290.42	2,460.43	2,125.74	223.97	2,349.71
Total Financial Liabilities	9,129.60	27,179.22	36,308.82	8,432.52	20,198.01	28,630.53
Net	1,259.07	15,870.33	17,129.40	3,242.30	12,542.57	15,784.87

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) refer Note no. 56.1



Note 37 - 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	6,492.81	(2,166.67)	4.76	4,330.90
Borrowings other than debt securities	19,686.07	8,838.85	649.70	29,174.62
Total liabilities from financing activities	26,178.88	6,672.18	654.46	33,505.52

Particulars	As at April 1, 2020	Cash flows	Other	As at March 31, 2021
Debt Securities	1,500.00	5,000.00	(7.19)	6,492.81
Borrowings other than debt securities	19,122.99	180.58	382.50	19,686.07
Total liabilities from financing activities	20,622.99	5,180.58	375.31	26,178.88



Note 38- 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:

38.1 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	1,588.71	-	-	1,588.71
- 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	-	591.51	-	591.51	-	1,729.83	-	1,729.83
Trade receivables	-	81.64	-	81.64	-	15.09	-	15.09
Loans	-	45,770.88	-	45,770.88	-	35,642.10	-	35,642.10
Cash and cash equivalents	-	910.86	-	910.86	-	1,537.93	-	1,537.93
Bank Balances other than above	-	16.12	-	16.12	-	100.99	-	100.99
Other financial Assets	-	217.01	-	217.01	-	100.13	-	100.13
Total financial assets	2,352.54	47,835.68	-	50,188.22	1,627.44	41,037.96	-	42,665.40
Financial liabilities								
Derivative financial instruments	-	-	8.63	8.63	-	-	-	-
Borrowings (including Debt Securities)	-	33,505.52	-	33,505.52	-	26,178.88	-	26,178.88
Trade payables	-	334.24	-	334.24	-	101.94	-	101.94
Other financial liabilities	-	2,460.43	-	2,460.43	-	2,349.71	-	2,349.71
Total financial liabilities	-	36,300.19	8.63	36,308.82	-	28,630.53	-	28,630.53

38.2 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 Company 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		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

(₹ 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	910.86	910.86	-	-	910.86
Bank Balance other than above	4	16.12	16.12	-	-	16.12
Trade Receivable	5	81.64	-	-	81.64	81.64
Loans						
Loans to employees		0.94	-	-	0.94	0.94
Loans - SME & CF	6	45,769.94	-	-	45,047.48	46,047.48
Investments						
- Commercial Paper		-	-	-	-	-
- Debt Instrument	7	247.66	-	-	247.66	247.66
- Pass Through Certificates		591.51	-	-	591.51	591.51
Other financial assets	8	217.01	-	-	217.01	217.01
Total financial assets		47,835.68	926.98	-	47,186.24	48,113.22
Financial liabilities						
Derivative financial instruments	15A	8.63	-	8.63	-	8.63
Trade Payable	13	334.24	-	-	334.24	334.24
Debt Securities	14	4,330.90	4,452.63	-	-	4,452.63
Borrowings other than Debt Securities	15B	29,174.62	-	-	29,174.62	29,174.62
Other Financial Liabilities	16	2,460.43	-	-	2,460.43	2,460.43
Total financial liabilities		36,308.82	4,452.63	8.63	31,969.29	36,430.55



(₹ 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	1,588.71	1,588.71	-	-	1,588.71
Total financial assets		1,627.44	1,627.44	-	-	1,627.44
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

(₹ 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, 2021						
Financial assets						
Cash and cash equivalents	3	1,537.93	1,537.93	-	-	1,537.93
Bank Balance other than above	4	100.99	100.99	-	-	100.99
Trade Receivable	5	15.09	-	-	15.09	15.09
Loans						
Loans to employees		1.19	-	-	1.19	1.19
Loans - SME & CF	6	35,640.91	-	-	35,640.91	35,640.91
Investments						
- Commercial Paper		959.13	-	959.13	-	959.13
- Debt Instrument	7	952.76	-	952.76	-	952.76
- Pass Through Certificates		1,729.83	-	-	1,729.83	1,729.83
Other financial assets	8	100.13	-	-	100.13	100.13
Total financial assets		41,037.96	1,638.92	1,911.89	37,487.15	41,037.96
Financial Liabilities						
Trade Payable	13	101.94	-	-	101.94	101.94
Debt Securities	14	6,492.81	6,492.81	-	-	6,492.81
Borrowings other than Debt Securities	15B	19,686.07	-	-	19,686.07	19,686.07
Other Financial Liabilities	16	2,349.71	-	-	2,349.71	2,349.71
Total financial liabilities		28,630.53	6,492.81	-	22,137.72	28,630.53

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 39 - Risk Management

39.1. Risk Disclosures

Company'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 Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk. It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

39.2. Credit risk

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

39.2.1 Impairment assessment

39.2.1.1 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.

39.2.1.2 Significant increase in credit risk

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

39.2.1.3 Definition of default and cure

The Company 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 Company also considers a variety of instances that may indicate inability to pay. When such events occur, the Company 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 company on terms that the company would not consider otherwise; or
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

It is the Company'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.

39.2.1.4 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 32).

- a) The Company 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

39.2.1.5 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 on 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.

39.2.2 Analysis of risk concentration - Refer Note 56.10.3

39.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company 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 Company is unable to recover the dues, the Company through a legal process enforces the security and recovers the dues.

39.2.4 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 Company has estimated the said amount and made provision for refund/adjustment.

39.2.5 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 Company 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.

39.2.6 Hon'ble 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 company has classified non performing assets as per extant RBI guidelines.



39.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company 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 Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company 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 Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

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

Current Year										(₹ in millions)
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 years 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	238.68	578.35	924.07	1,928.48	4,293.63	15,648.74	8,405.64	2,826.74	34,844.33	
Trade Payable	334.25	-	-	-	-	-	-	-	334.25	
Lease liability	4.69	4.70	4.69	14.24	28.81	107.00	74.11	8.23	246.47	
Other Financial Liability	2,026.05	-	-	-	-	-	-	-	2,026.05	

Previous Year										(₹ in millions)
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 years to 5 years	Over 5 years	Total	
Debt Securities	-	-	-	166.67	2,000.00	2,826.14	-	1,500.00	6,492.81	
Borrowings	44.80	232.39	731.41	1,005.50	2,024.08	8,541.00	6,443.32	616.29	19,638.78	
Trade Payable	101.94	-	-	-	-	-	-	-	101.94	
Lease liability	4.77	4.74	4.74	14.20	26.86	92.32	91.38	27.30	266.31	
Other Financial Liability	1,792.71	-	-	-	-	-	-	-	1,792.71	

39.4. 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 company is providing loans to MSME and Construction Finance. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company 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 Company's statement of profit and loss and equity.

Currency		Increase / (decrease) in basis points		Sensitivity of profit or loss		Sensitivity of equity		(₹ in millions)
2021-22								
Loans (₹)	25 Basis point Up		Impact on Profit before Tax	116.08	Impact on equity	86.87		
	50 Basis point Up			232.16		173.73		
	25 Basis point Down			(116.08)		(86.87)		
	50 Basis point Down			(232.16)		(173.73)		
Borrowings (₹)	25 Basis point Up		Impact on Profit before Tax	(84.09)	Impact on equity	(62.92)		
	50 Basis point Up			(168.18)		(125.85)		
	25 Basis point Down			84.09		62.92		
	50 Basis point Down			168.18		125.85		
2020-21								
Loans (₹)	25 Basis point Up		Impact on Profit before Tax	91.81	Impact on equity	68.70		
	50 Basis point Up			183.62		137.41		
	25 Basis point Down			(91.81)		(68.70)		
	50 Basis point Down			(183.62)		(137.41)		
Borrowings (₹)	25 Basis point Up		Impact on Profit before Tax	(49.81)	Impact on equity	(36.98)		
	50 Basis point Up			(98.82)		(73.95)		
	25 Basis point Down			49.81		36.98		
	50 Basis point Down			98.82		73.95		

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 Company 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 Company has not come across any instances of fraud.

Capital Management :

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company'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 company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company 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.

Gearing ratio :			(₹ in millions)
Particulars	As at March 31, 2022	As at March 31, 2021	
The gearing ratio at each date were as follows :			
*Debt (I)	33,701.73	26,329.14	
Cash and bank balances (II) (refer note 3)	910.86	1,537.95	
Net debt (I - II)	32,790.87	24,791.19	
Total equity	17,894.53	16,272.68	
Net debt to equity ratio	1.83	1.52	

* Debt includes debt securities, borrowings and lease liabilities.



Note 40A- Defined Contribution Plan

The Company'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 company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

Particulars	(₹ in millions)	
	As at March 31, 2022	As at March 31, 2021
Employer's contribution to provident fund	51.59	25.20
Employer's contribution to National Pension Scheme	2.70	3.10
Total	54.29	28.30

Note 40B- Defined Benefit Plan

The Company has a defined benefit gratuity plan in India (funded). The Company'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 Company:

Principal assumptions used for the actuarial valuations are as follows:

Particulars	(₹ in millions)	
	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:

Particulars	(₹ in millions)	
	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	34.62	32.95
Current Service Cost	10.15	10.12
Interest Cost	1.93	2.06
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(3.52)	(4.81)
Direct Payment by the Company	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1.76)	(1.21)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.12)	0.92
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.36	(5.40)
Present Value of Benefit Obligation at the End of the Period	43.66	34.62

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

Particulars	(₹ in millions)	
	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	30.15	25.66
Interest Income	1.68	1.60
Contributions by employer	4.50	7.50
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(3.52)	(4.81)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.49	0.20
Fair Value of Plan Assets at the End of the Period	33.30	30.15



Amount recognized in the balance sheet from the Company'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)	(43.67)	(34.62)
Fair value of plan assets	33.31	30.15
Funded status (Surplus/ (Deficit))	(10.36)	(4.47)
Net (Liability)/Asset Recognized in the Balance Sheet	(10.36)	(4.47)

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	34.62	32.95
(Fair Value of Plan Assets at the Beginning of the Period)	(30.15)	(25.66)
Net Liability/(Asset) at the Beginning	4.47	7.28
Interest Cost	1.93	2.06
(Interest Income)	(1.68)	(1.60)
Net Interest Cost for Current Period	0.25	0.45

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	10.15	10.12
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net Interest expense	0.25	0.46
Expense Recognized	10.40	10.58

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)	(0.49)	(0.20)
Actuarial (gains) / losses on defined benefit obligations	0.48	(5.70)
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(0.01)	(5.90)

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*	33.31	30.15
Others	-	-
Total	33.31	30.15

*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	7.89	5.40
2nd Following Year	7.19	3.78
3rd Following Year	7.14	5.00
4th Following Year	5.75	5.64
5th Following Year	5.64	4.26
Sum of Years 6 To 10	14.64	13.16
Sum of Years 11 and above	6.04	7.87

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	(1.42)	(1.37)	1.53	1.49
2) Future Salary Increases	1.46	1.43	(1.40)	(1.35)
3) Employee Turnover	(0.42)	(0.37)	0.43	0.37

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 41 - Related party disclosures as per Ind AS 24

A. List of Related Parties and related party relationships:

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

Sr. No.	Name of the Related Party	Relationship
1	Capri Global Housing Finance Limited	Wholly owned Subsidiary
2	Capri Global Resources Private Limited	Wholly owned Subsidiary (Ceased w.e.f. 15.01.2022)

b) Enterprises over which Management and/or their relatives have control

- Capri Global Holdings Private Limited
- Parishwanath Buildcon Private Limited

c) Key Management Personnel of the Company

- Mr. Rajesh Sharma
Managing Director
- Mr. Jayesh Doshi
Whole Time Director (Resigned w.e.f.31.03.20)
- Mr. Beni Prasad Rauka
Independent Director
- Ms. Bhagyam Ramani
Independent Director
- Mr. Mukesh Kacker
Independent Director
- Mr. Ajay Relan
Independent Director
- Mr. Alit Mohan Sharan
Independent Director
- Mr. Desh Raj Dogra
Independent Director

d) Trust under common control:

- Capri Foundation
- Money Matters Financial Services 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	0.04	-	-	-	-	-	-	-	0.04	-
II	Service Charge Income from Subsidiary	12.00	12.00	-	-	-	-	-	-	12.00	12.00
III	Sale of Investment	-	-	0.28	-	-	-	-	-	0.28	-
	Capri Global Holdings Pvt. Ltd.										
II	EXPENSES :										
I	Rent Paid	-	-	0.10	0.13	-	-	-	-	0.10	0.13
	Parishwanath Buildcon Private Limited										
II	Service Charge Expenses to Subsidiary	26.74	15.09	-	-	-	-	-	-	26.74	15.09
III	Salaries, Commission and other benefits	-	-	-	-	2.40	-	-	-	2.40	-
	Mr. Rajesh Sharma										
IV	Director Sitting Fees	-	-	-	10.35	-	-	-	-	-	10.35
	Mr. Beni Prasad Rauka					1.26	1.81	-	-	1.26	1.81
	Ms. Bhagyam Ramani					2.76	1.98	-	-	2.76	1.98
	Mr. Mukesh Kacker					0.84	1.06	-	-	0.84	1.06
	Mr. Desh Raj Dogra					0.78	-	-	-	0.78	-
	Mr. Alit Sharan					0.60	0.70	-	-	0.60	0.70
	Mr. Ajay Kumar Relan					0.16	0.57	-	-	0.16	0.57
V	Employee Benefits	-	-	-	-	-	-	-	-	-	-
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme							4.50	7.50	4.50	7.50
VI	Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-
	Capri Foundation										
		-	-	0.63	33.91	-	-	-	-	0.63	33.91



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 (Transaction during year):										
I	Investment in Equity Shares of Subsidiaries										
II	Capri Global Housing Finance Limited	1,500.00	-	-	-	-	-	-	-	1,500.00	-
III	Capri Global Resources Private Limited	0.54	0.20	-	-	-	-	-	-	0.54	0.20
	Capri Global Resources Private Limited	0.74	-	-	-	-	-	-	-	0.74	-
c	Balance Sheet Items (Closing Balances):										
I	Investment in Equity Shares of Subsidiaries										
II	Capri Global Housing Finance Limited	3,250.00	1,750.00	-	-	-	-	-	-	3,250.00	1,750.00
III	Capri Global Resources Private Limited	-	11.05	-	-	-	-	-	-	-	11.05
	Other Payable	-	-	-	-	-	-	-	-	-	-
	Parishwanath Bulkicon Private Limited	-	-	-	-	-	-	-	-	-	-
	Other Receivable	-	-	-	0.16	-	-	-	-	-	0.16
	Capri Global Housing Finance Limited	16.75	9.68	-	-	-	-	-	-	16.75	9.68
	Capri Global Resources Private Limited	-	0.20	-	-	-	-	-	-	-	0.20



Note 42 - Segment Information (IND-AS 108)**Operating Segment:**

The Company 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 43 - 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)	1,618.84	1,435.18
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	17,65,79,900
Basic earnings per equity share (Face value of ₹ 2/- per share)	(A)/(B)	₹	9.23	8.19
Diluted earnings per equity share (Face value of ₹ 2/- per share)	(A)/(C)	₹	9.13	8.13

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	12,94,545
Weighted average number of equity shares in calculation of diluted EPS	Nos.	17,74,05,541	17,65,79,900



Note 44 - 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	264.11	255.95
On adoption of IND AS 116		-
Additions/Modifications	41.09	8.16
Terminations	20.84	-
Translation adjustments		-
Balance as at the end of the Year	284.36	264.11
Accumulated depreciation		
Balance as at the beginning of the Year	91.27	46.00
Depreciation	28.73	45.26
Terminations/modifications	11.92	-
Translation adjustments		-
Balance as at the end of the Year	108.08	91.27
Net Carrying Value at the end of the Year	176.29	172.85

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	197.55	223.96
Additions/Modification	32.42	8.16
Terminations/modifications	10.51	-
Finance expense	19.88	22.96
Payment of lease liabilities	43.14	57.52
Translation adjustments	-	-
Balance as at the end of the Year	196.21	197.55

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	1.57	55.30
1-3 years	19.33	92.32
3-5 years	202.57	91.38
More than 5 years	23.01	27.30
Total	246.48	266.31

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

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



Note 45 - Employee Stock Option

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Company/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 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 ₹ 50.10 Millions (March 31, 2021 ₹ 26.59 Millions)

As at March 31, 2022 amount of ₹ 16.75 Millions (as at March 31, 2021 ₹ 12.07 Millions) being the difference between the exercise price and fair value of the options is receivable from the subsidiary company with which employees are employed.

Note 46 - Expenditure in Foreign Currency

Software Expenses

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



Note 47 - Details of dues to micro and small enterprises

The Company 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. 13.

Note 48 - Contingent Liabilities

Income Tax matters under dispute: March 31, 2022 ₹ 114.27 Millions (March 31, 2021 ₹ 2.90 Millions)

Note 49 - Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2022 ₹ 65.27 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 ₹ 10,513.75 Millions (March 31, 2021 ₹ 7,032.06 Millions)

Note 50 - Fraud Reporting

The company 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 51 - Details of all collateral used as security for liabilities

Particulars	(₹ in millions)	
	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	46,415.70	36,485.83
Loans receivable as collateral under PTC agreements	594.57	1,729.84
Receivables from investment in securities as collateral	2,554.12	2,584.53
Cash and other bank balance collateral under lending agreements	910.86	1,537.95



Note 52 - Schedule to the Balance Sheet under Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Particulars		(₹ in millions)	
Liabilities Side		Amount O/S	Amount Overdue
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
	a) Debentures:		
	Secured	4,330.90	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	b) Deferred Credits	-	-
	c) Term Loans	28,473.07	-
	d) Intercompany loans and borrowings	-	-
	e) Commercial Paper	-	-
	f) Other Loans (Cash Credit & Overdraft Facility)	701.55	-
	Total	33,505.52	-
Assets Side		Amount Outstanding	
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):		
	a) Secured		47,177.33
	b) Unsecured		0.94
3	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial Lease		-
	b) Operating Lease		-
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire		-
	b) Repossessed Assets		-
	iii) Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed		-
	b) Loans other than (a) above		-
4	Breakup of Investments:		
	Current Investments:		
	1. Quoted:		
	i) Shares: (a) Equity		48.11
	(b) Preference		-
	ii) Debentures and Bonds		839.17
	iii) Units of mutual funds		2,304.43
	iv) Government Securities		-
	v) Others (please specify)		-
	- Commercial Paper		-
	2. Unquoted:		
	i) Shares: (a) Equity		-
	(b) Preference		-
	ii) Debentures and Bonds		-
	iii) Units of mutual funds		-
	iv) Government Securities		-
	v) Others (please specify)		-
	Long Term investments:		
	1. Quoted:		
	i) Shares: (a) Equity		-
	(b) Preference		-
	ii) Debentures and Bonds		-
	iii) Units of mutual funds		-
	iv) Government Securities		-
	v) Others (please specify)		-
	2. Unquoted:		
	i) Shares: (a) Equity		3,250.00
	(b) Preference		-
	ii) Debentures and Bonds		-
	iii) Units of mutual funds		-
	iv) Government Securities		-
	v) Others		-
5	Borrower groupwise classification of assets financed as in (2) and (3) above:		
	Category	Amount net of Provisions	
		Secured	Unsecured
			Total
	1. Related Parties		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other related parties	-	-
	2. Other than related parties	45,769.94	0.94
	Total	45,769.94	0.94
			45,770.88



6	Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a) Subsidiaries *	4,580.12	3,250.00
	b) Companies in the same group	-	-
	c) Other related parties	-	-
	2. Other than related parties	3,191.71	3,191.71
	Total	7,771.83	6,441.71
	* The fair value of Investment is considered as net worth of Company		
7	Other information		
	Particulars		Amount
	i) Gross Non Performing Assets		
	a) Related Parties		-
	b) Other than related parties		1,299.84
	ii) Net Non Performing Assets		
	a) Related Parties		-
	b) Other than related parties		397.97
	iii) Assets acquired in satisfaction of debt		-

Note 53 -

There are no Restructured Accounts as per Appendix 4 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Note 54 -

Disclosure Pursuant to RBI Notification - RBI/2020-21/17 DOR No. BP. BC/3/21.04.048/2020-21 dated 6 August 2020 (for restructuring of accounts of micro, small and Medium Enterprises (MSME Sector- Restructuring of Advances having exposure less than or equal to Rs. 25 Crores)

Type of Borrower	Number of Accounts restructured	Amount (₹ in millions)
MSMEs	571	1,672.71



Note 55 - Additional regulatory information under division III to schedule III as per notification dated March 24, 2021**(i) Title deeds of Immovable Property:**

Title deeds of all immovable properties are in the name of the Company itself.

(ii) Revaluation of Property, Plant and Equipment:

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

(iii) Revaluation of Intangible Assets:

The Company has not revalued Intangible assets during the year.

(iv) Loans or Advances:

During the year, the Company 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.

(v) 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)	12.39	-	-	-	12.39

(vi) Details of Benami Property held:

No proceedings have been initiated or pending against the company 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.

(vii) Security of current assets against borrowings:

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

(viii) Wilful Defaulter:

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

(ix) Relationship with Struck off Companies:

During the year, the company has not entered into any transaction with struck off companies.

(x) Registration of charges or satisfaction with Registrar of Companies (ROC):

During the year, there was no delay in registration of charge or satisfaction with ROC and no charge is pending for registration.

(xi) Compliance with number of layers of companies:

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

(xii) Analytical Ratios:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
(a) Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Total risk weighted assets/ exposures	29.39%	35.46%	17.10%	NA
(b) Tier I CRAR	Net Owned Fund	Total risk weighted assets/ exposures	28.77%	35.02%	17.84%	NA
(c) Tier II CRAR	Aggregate Tier II Capital	Total risk weighted assets/ exposures	0.62%	0.44%	29.03%	As there has been a increase in provisions under Tier II Capital
(d) Liquidity Coverage Ratio	Stock of High Quality Liquid Assets	Total Cash Net Outflows over the next 30 calendar days	120.69%	NA	-	NA

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

The Company has not entered into any scheme of arrangement.

(xvi) 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 Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Company 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 Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Note 56 - Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR, PD.008/03.10.119/2016-17 dated 1 September 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:

56.1 Capital Adequacy Ratio

	Items	As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	29.39%	35.46%
ii)	CRAR - Tier I Capital (%)	28.77%	35.02%
iii)	CRAR - Tier II Capital (%)	0.62%	0.44%
iv)	Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

56.2 Investments

(₹ in millions)

	Particulars	As at March 31, 2022	As at March 31, 2021
1	Value of Investments		
	Gross Value of Investments		
	(i) (a) In India	6,441.71	7,019.16
	(b) Outside India,	Nil	Nil
	Provisions for Depreciation		
	(ii) (a) In India	Nil	Nil
	(b) Outside India,	Nil	Nil
	Net Value of Investments		
2	(iii) (a) In India	6,441.71	7,019.16
	(b) Outside India.	Nil	Nil
	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	-	11.05
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write-off/write-back of excess provisions during	-	11.05
	(iv) Closing balance	-	-

56.3 Derivatives

56.3.1 Forward Rate Agreement (FRA)/ Interest Rate Swap

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The notional principal of swap agreements	4,238.82	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	N.A.	-
(iv) Concentration of credit risk arising from the swaps	N.A.	-
(v) The fair value of the swap book	8.63	-



56.3.2 Exchange Traded Interest Rate (IR) Derivative

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2022 (instrument wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-
(i) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-

56.3.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company undertakes derivative transactions for hedging on-balance sheet liabilities, these derivative transactions are in form of Forward Exchange Contracts.

The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved. The Company has entered into these Forward Exchange Contract to mitigate the foreign exchange risk pertaining to FCNR (B) Term Loan.

All derivative contracts including the Forward Exchange Contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments including the Forward Exchange Contracts as per IND AS 109. Gain / loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains / losses of effective portion of hedge instrument are offset against gain / losses of hedged items in Other Comprehensive Income.

Foreign exchange forward contracts outstanding at the Balance Sheet date, are recorded at fair value. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract. The Company has entered into cashflow hedges to hedge currency risk on certain foreign currency loans and to cover future interest on foreign currency borrowings.

B. Quantitative Disclosure

(₹ in millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	4,238.82	-
(ii) Marked to Market Positions	(8.63)	-
(a) Assets (+)	-	-
(b) Liability (-)	8.63	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-



56.4 Maturity Pattern of Assets & Liabilities

As at March 31, 2022	1 day to 7 days	8 days to 14 days	15 days to 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
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	-	15.60	1,613.40	1,062.50	345.40	1,120.30	2,782.10	9,129.90	7,463.40	23,644.73	47,177.33
Investments	-	24.30	2,154.40	4.29	134.30	13.30	27.80	416.80	128.40	3,538.12	6,441.71
Borrowing	701.50	20.80	20.80	375.00	729.90	1,520.20	3,248.30	15,494.30	7,405.50	3,989.22	33,505.52
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2021	1 day to 7 days	8 days to 14 days	15 days to 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
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	303.60	2,190.50	349.90	1,210.80	2,207.40	8,095.80	5,348.20	16,933.63	36,639.83
Investments	-	-	369.14	2,009.21	10.24	1,181.79	104.02	284.22	298.08	2,762.46	7,019.16
Borrowing	3.10	-	41.70	232.39	731.41	1,172.17	4,024.08	11,367.14	6,443.32	2,116.29	26,131.59
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-

Note :

i) Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.



56.5 Exposures

56.5.1 Exposure to Real Estate Sector

(₹ in millions)		
Category	As at March 31, 2022	As at March 31, 2021
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc. Exposure shall also include non-fund based limits	12,676.73	8,733.50
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil

(₹ in millions)		
b) Indirect Exposure		
Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs.)*	3,250.00	1,750.00
Invest in Pass Through Certificate	591.51	1,729.83

* investment made in wholly owned housing Finance Subsidiary Registered with the National Housing Bank .

The above exposure doesn't include advances given based on estimation of underlying business cash flows as part of credit underwriting process though the securities given might include real estate assets.

56.5.2 Exposure to Capital Market

(₹ in millions)		
Particulars	As at March 31, 2022	As at March 31, 2021
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	48.11	38.73
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil



vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii) bridge loans to companies against expected equity flows / issues;	Nil	Nil
viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	48.11	38.73

56.6 Details of financing of parent company products

Not applicable as the company is not financing products of parent company.

56.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

These details are not applicable to Company as the Company has not exceeded the SGL and GBL as prescribed by RBI during the financial year.

56.8 Unsecured Advances

The exposure to unsecured advances is ₹ 0.94 Millions (March 31, 2021 ₹ 1.39 Millions)



56.9 Miscellaneous

56.9.1 Registration number obtained from RBI

B-13.01882

56.9.2 Disclosure of penalties imposed by RBI and other regulators

During the year ended March 31, 2022 no penalties have been imposed by RBI and other regulators (March 31, 2021: Nil)

56.9.3 Related Party Transactions

Refer note 41 to the standalone financial statements

56.9.4 Ratings assigned by credit rating agencies and migration of ratings during the year

(₹ in millions)					
Sr. No.	Instrument	Rating assigned	Agency	Date of Rating	Amount
1	Long Term Instrument- Bank Facilities	CARE A+/Negative	CARE Ratings Limited	06-07-2021	37,500
2	Long Term Instrument- Non-Convertible Debenture	CARE A+/Negative	CARE Ratings Limited	06-07-2021	7,500
3	Long Term Instrument- Bank Facilities	CARE A+/Negative	CARE Ratings Limited	15-03-2022	37,500
4	Long Term Instrument- Non-Convertible Debenture	CARE A+/Negative	CARE Ratings Limited	15-03-2022	4,000
5	Long Term Instrument- Bank Facilities	IVR AA/Stable	Infomerics valuation and rating private limited	03-02-2022	44,050
6	Long Term Instrument- Bank Facilities Cash Credit	IVR AA/Stable	Infomerics valuation and rating private limited	03-02-2022	950
7	Long Term Instrument- Non-Convertible Debenture	IVR AA/Stable	Infomerics valuation and rating private limited	03-02-2022	3,000
8	Short Term Instrument- Commercial Papers	IVR A1+	Infomerics valuation and rating private limited	03-02-2022	3,500
9	Long Term Instrument- Bank Facilities	BWR AA-/Negative	Brickwork Ratings India Pvt. Ltd	30-06-2021	45,000
10	Long Term Instrument- Bank Facilities Cash Credit	BWR AA-/Negative	Brickwork Ratings India Pvt. Ltd	30-06-2021	1,200
11	Long Term Instrument- Non-Convertible Debenture	BWR AA-/Negative	Brickwork Ratings India Pvt. Ltd	30-06-2021	500

56.9.3 Remuneration of Directors

Refer note 41 to the standalone financial statements

56.9.4 Management

The annual report has a detailed chapter on Management Discussion and Analysis.

56.9.5 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have an impact on the current year's profit

56.9.6 Revenue Recognition

Since the company does not have significant uncertainties pending resolution as at March 31, 2022, revenue recognition has not been postponed.

56.9.7 Consolidated Financial Statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

56.9.8 - Disclosure pursuant to 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)

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 Company 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 Company, 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.

56.9.9 - Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

a) Details of transfer through assignment in respect of loans not in default:

Particulars	Year ended March 31, 2022
Amount of Loan accounts assigned (Rs. in millions)	1,164.16
Retention of Beneficial Economic Interest (in %)	20% to 30%
Weighted Average Maturity (in Years)	12.28
Weighted Average Holding Period (in Years)	12.28
Coverage of tangible security Coverage (in %)	187.51%

The above transaction is pursuant to Co-Lending option II (Direct Assignment) pursuant to RBI notification RBI/2020-21/63/FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated September 04, 2020

b) The Company has not acquired any loan not in default during the ended March 31, 2022

c) The Company has not transferred or acquired any stressed loan during the year ended March 31, 2022



56.10 Additional Disclosures**56.10.1 Provisions and Contingencies**

(₹ in millions)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year March 31, 2022	For the year March 31, 2021
Provisions for depreciation on Investment	-	-
Provision towards NPA	(13.70)	153.56
Provision made towards Income tax	550.41	494.20
Other Provision and Contingencies		
Provision for Standard Assets	470.53	309.13
Floating Provision Against Standard Asset	-	-
Provision for depreciation	73.14	85.27
Provision for gratuity	5.90	10.58
Provision for Compensated Absence	12.06	12.75

56.10.2 Draw Down from Reserves

The Company has not made any draw down from reserves during the year.

56.10.3 Concentration of Public deposits, Advances, Exposures and NPAs**56.10.3.1 Concentration of Deposits**

The disclosure of the concentration of deposit taken is not applicable since the company is not in the business of accepting deposits being a systematically Important Non Deposit accepting NBFC.

56.10.3.2 Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total loans & advances to twenty largest borrowers (₹ in millions)	6,512.70	7,327.32
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	13.65%	16.57%

56.10.3.3 Concentration of Exposures

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers (₹ in millions)	7,785.90	7,327.32
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	13.37%	16.57%

56.10.3.4 Concentration of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts (Gross) (₹ in millions)	138.40	150.26

56.10.3.5 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	Nil	Nil
2	MSME	4.00%	5.53%
3	Corporate borrowers	0.15%	0.19%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans	Nil	Nil
7	Other personal loans	Nil	Nil

56.10.4 Movement of NPAs

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net NPAs to Net Advances (%) (Net of Overall Provision)	-ve	1.06%
Net NPAs to Net Advances (%) (Net of Provision on NPA)	1.91%	2.78%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1,406.33	843.11
(b) Additions during the year	475.11	801.87
(c) Reductions during the year	581.60	238.65
(d) Closing balance	1,299.84	1,406.33
(iii) Movement of Net NPAs		
(a) Opening balance	994.67	583.48
(b) Additions during the year	324.73	569.26
(c) Reductions during the year	417.53	158.07
(d) Closing balance	901.87	994.67
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	411.67	259.63
(b) Provisions made during the year	150.37	232.61
(c) Write-off / write-back of excess provisions	164.07	80.57
(d) Closing balance	397.97	411.67

56.10.5 Overseas Assets

The Company does not have any overseas assets.

56.10.6 Off-balance Sheet SPVs sponsored

The Company has not sponsored any SPVs. Accordingly, the disclosure is not applicable

56.10.7 Customer Complaints

Particulars	As at March 31, 2022	As at March 31, 2021
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	183	166
No. of complaints redressed during the year	183	166
No. of complaints pending at the end of the year	-	-



56.11 Disclosure on liquidity risk pursuant to RBI circular dated 4 November 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' is as follows:

56.11.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (₹ in Millions)	% of Total deposits	% of Total liabilities
1	14	33,358.60	N.A.	91.28%

56.11.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

56.11.3 Top 10 borrowings

Amount (₹ in Millions) of Borrowings from Top 10 Lenders	% of Total Borrowings
31,076.30	92.39%

56.11.4 Funding concentration based on significant instrument/product

Sr. No.	Name of instrument/product	Amount (₹ in Millions)	% of Total liabilities
1	Term Loans from Bank	24,112.70	65.98%
2	Term Loan from Financial Institution	4,487.50	12.28%
3	Non-Convertible Debentures	4,333.30	11.86%
4	Loans repayable on demand from Bank (Cash Credit Facility)	701.60	1.92%

Notes:

1. Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.
2. The outstanding amount of borrowings considered in the disclosure is without taking the impact of unamortised processing fees which is an Ind AS impact adjusted in the financials.

56.11.5 Stock ratios

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial papers	N.A.	N.A.	N.A.
Non-Convertible Debentures (original maturity of less than 1 year)	N.A.	N.A.	N.A.
Other short term liabilities	27.52%	25.33%	17.00%

56.11.6 Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (RMC) which is responsible for monitoring the overall risk process within the Company.

The meetings of RMC are held at quarterly interval. The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. RMC ensures that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time. RMC Develops risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors has constitution of Asset Liability Committee (ALCO). The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet. ALCO conducts quarterly reviews relating to the liquidity position and stress test assuming various 'what if' scenarios. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters based on previous borrowings of the Company.



In assessing the Company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale. Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers.

The minutes of ALCO meetings are placed before the RMC and the Board of Directors meeting for noting.

The Company exceeds the regulatory requirement of liquidity coverage ratio (LCR) introduced by the RBI in FY 2020. This requirement stipulates that NBFCs with an asset size of ₹ 5,000 crore and above are required to maintain 50% of its expected net cash outflows in a stressed scenario in high quality liquid assets (HQLA) by December 2021; which has to be increased to 100% by December 2024 in a phased manner.

As of 31 March 2022, Company maintained LCR of 120.69% which is well above the stipulated norms.

(₹ in millions)

Particulars	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)	904.61	904.61
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	-	-
5 Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral requirements	-	-
(ii) Outflows related to loss of funding on debt products		
(iii) Credit and liquidity facilities	743.22	854.70
6 Other contractual funding obligations	20.81	23.93
7 Other contingent funding obligations	1,842.94	2,119.38
8 TOTAL CASH OUTFLOWS	2,606.97	2,998.01
Cash Inflows		
9 Secured lending		
10 Inflows from fully performing exposures	1,629.00	1,221.75
11 Other cash inflows	2,407.13	1,805.35
12 TOTAL CASH INFLOWS	4,036.13	3,027.10
13 TOTAL HQLA	904.61	904.61
14 TOTAL NET CASH OUTFLOWS	651.74	749.50
15 LIQUIDITY COVERAGE RATIO (%)	138.80%	120.69%

Composition of HQLA: The HQLA maintained by Company comprises cash balance maintained in current account.



Note 56.12 - Disclosures as required in terms of RBI notificati on no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 date d 13 March 2020 pertaining to Asset Classification as per RBI:

(₹ in millions)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
1. Performing Assets						
Standard	Stage 1	41,139.97	297.04	40,842.93	191.98	105.06
	Stage 2	5,275.73	712.38	4,563.35	150.56	561.82
Subtotal of Performing Assets		46,415.70	1,009.42	45,406.28	342.54	666.88
2. Non-Performing Assets (NPA)						
a. Substandard	Stage 3	563.05	155.37	407.68	57.10	98.27
b. Doubtful						
- up to 1 year	Stage 3	339.72	91.86	247.86	71.70	20.17
- 1 to 3 years	Stage 3	307.12	83.04	224.08	97.91	(14.87)
- More than 3 years	Stage 3	30.50	8.25	22.25	15.25	(7.00)
Subtotal for doubtful		677.34	183.15	494.19	184.86	(1.70)
c. Loss Assets	Stage 3	59.45	59.45	-	59.45	-
Subtotal of NPA		1,299.84	397.97	901.87	301.41	96.57
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	10,170.83	60.40	10,110.43	45.51	14.89
	Stage 2	340.47	15.40	325.07	12.50	2.90
	Stage 3	2.45	0.60	1.85	0.31	0.29
Subtotal		10,513.75	76.40	10,437.35	58.32	18.08
Total						
	Stage 1	41,139.97	357.44	40,782.53	237.49	119.96
	Stage 2	5,275.73	727.78	4,547.95	163.06	564.72
	Stage 3	1,299.84	398.57	901.27	301.72	96.86
Total		47,715.54	1,483.79	46,231.75	702.27	781.53

Provisioning Details as on 31st March 2021

(₹ in millions)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
1. Performing Assets						
Standard	Stage 1	31,469.03	201.44	31,267.59	125.87	75.57
	Stage 2	4,322.44	386.22	3,936.22	199.08	187.14
Subtotal of Performing Assets		35,791.47	587.66	35,203.81	324.95	262.70
2. Non-Performing Assets (NPA)						
a. Substandard	Stage 3	849.18	216.54	632.64	84.92	131.62
b. Doubtful						
- up to 1 year	Stage 3	303.16	77.31	225.85	60.63	16.67
- 1 to 3 years	Stage 3	159.31	40.62	118.69	47.79	(7.17)
- More than 3 years	Stage 3	40.22	22.74	17.49	20.11	2.62
Subtotal for doubtful		502.70	140.67	362.03	128.54	12.13
c. Loss Assets	Stage 3	54.46	54.46	-	54.46	-
Subtotal of NPA		1,406.33	411.67	994.67	267.92	143.75
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	6,643.68	23.15	6,620.53		23.15
	Stage 2	372.94	2.94	370.00		2.94
	Stage 3	15.44	1.55	13.89		1.55
Subtotal		7,032.06	27.64	7,004.43	-	27.64
Total						
	Stage 1	31,469.03	224.58	31,244.45	125.87	98.71
	Stage 2	4,322.44	389.16	3,933.28	199.08	190.07
	Stage 3	1,406.33	413.22	993.11	267.92	145.30
Total		37,197.80	1,026.96	36,170.84	592.87	434.09



Note 57 - 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)

Sanjay 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