Capri Global Capital Limited
Annual Report 2019-20

CAPRI GLOBAL
CAPITAL LIMITED

Responsible.
Resilient.
Ready.

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Market Capitalisation as on March 31, 2020: ₹29,974 Million

CIN: L65921MH1994PLC173469

RBI Registration Number: B-13.01882

BSE Code: 531595

NSE Symbol: CGCL

Bloomberg Code: CGCL:IN

AGM Date: July 31, 2020

AGM Venue : AGM of the Company is being conducted through VC/OAVM Facility

Please find our online version at
www.capriglobal.in/annual-reports/
Or simply scan to download:

Cautionary Statement

The statements made in this report describe the Company's objectives and projections that may be forward-looking statements within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

Responsible.
Resilient.
Ready.

"We have a social responsibility, a constitutional opportunity and a moral obligation to help others. "

– Janie Lewis

We believe that capital is the bedrock of broad-based economic and social progress; a strong bridge to opportunity and self-reliance for every citizen of our nation. Therefore, we work hard to provide access to capital for those who need it most. We have taken this onus on us and have made financial inclusion our prime focus. We support the aspirations of determined and enterprising citizens of our nation, especially the unrepresented sections of society.

Our work involves the skill of striking a fine balance between our purpose of accelerating financial inclusion, while continuing our fiduciary duties towards our investors through commercial success. We believe financial independence expands the arc of wellbeing for families with better access to health, education and quality of life.

Over the years, we have steadily grown our business, showing resilience against industry cycles and economic headwinds, because our community of customers, employees, business partners, investors and other stakeholders continue to put their precious trust in our vision and capabilities.

With our experience, expertise, transparency, integrity and strong corporate governance, our mandate is to always remain future ready and play the role of a powerful catalyst for positive change in society.

FY 2019-20 Highlight

₹40,348 Million	Assets under Management (AUM)	↓ 5.3%*
₹15,391.84 Million	Net Worth	↑ 11.32%*
₹7,195 Million	Total Income	↑ 21.68%*
₹1,612.34 Million	Profit after Tax (PAT)	↑ 18.85%*
₹12,760 Million	Total Disbursement	↓ 47.42%*
3.7%	Return on Assets (RoA)	↓ 1.24%*
₹3,871.60 Million	Net Interest Income (NII)	↑ 19.63%*
9.5%	Net Interest Margin (NIM)	↑ 3%*

*As compared to FY 2018-19

Our Story

Building a stronger institution of trust

Capri Global Capital Limited (CGCL) is a diversified Non-Banking Financial Company (NBFC) with presence across four key verticals – Micro, Small and Medium Enterprises (MSME) loans, Construction Finance loans, Indirect Lending loans and Home loans. We invest in the aspirations of New India, with a focus on financial inclusion, addressing key challenges of those underserved by formal credit channels. We offer a diverse product portfolio, customised to specific needs.

We initiated our lending journey in FY 2010-11, with an aim to enable the underserved to fulfil their ambitions. Today, we are amongst India's most trusted lenders. We aligned our vision with that of the government's financial inclusion agenda and strategised a mission of revolutionising the lending business in India. We provide impetus to Self-Employed Non-Professional, (SENP) first-time borrowers, especially women, laying the roadmap for financial independence.

Our Mission

Our mission is to revolutionise the way credit works in India with our flexible and intuitive loans. We deliver credit to wide spectrum of MSMEs and individuals with limited credit history to drive a financial and social impact for our customers and society at large.

Our Vision

We aspire to become an institution that is known for pioneering fair, transparent credit to MSMEs and prospective homeowners.

Our Values

Equal Right To Progress.

Equal access capital and equal opportunities go hand in hand. Everyone has the right to progress: in both their personal and professional aspirations. Capital is the foundation to a better future for individuals, businesses, and in turn, society. And we see ourselves as part of the formula that will enable this progress.

Identity Beyond Economic Status.

Every person has the potential to change his or her life. Our role is to give them the support they need to take the reins. We hope to level the playing field for the economically underserved segments of the society. Rather than labelling individuals without a credit history as credit unworthy, we assess a customer's repayment capabilities through a unique discussion-based approach.

People Take Priority.

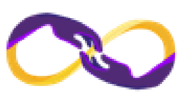
We see the individual behind the business, as a human first and customer second. We are motivated by the financial and social wellbeing of the lives we touch and their families. We believe that their personal progress will get us across the finish line.

One Team. One Purpose.

1,690+ dedicated employees, numerous departments, and multiple locations. All united by a single goal. We each have a unique role to play as we work towards delivering opportunities for change. Our people power progress, not just for us, but for every life that our services help transform.

Collective Social Growth & Wellbeing.

The wellbeing of society at large doesn't stem from wealth of a few, but the economic and social progress of all. The loans we give to the MSME sector and for the provision of affordable housing to the underserved has a domino effect that goes well beyond the scope of our customers.



Capital As A 'Change For Good'.

The right capital at the right time has the potential to create opportunities and trigger the cycle of change for good. Enriching lives beyond financial returns, to give families access to education, opportunities, and a better quality of life. Every day, we act as catalysts of this change.

Our Geographic Expanse

87

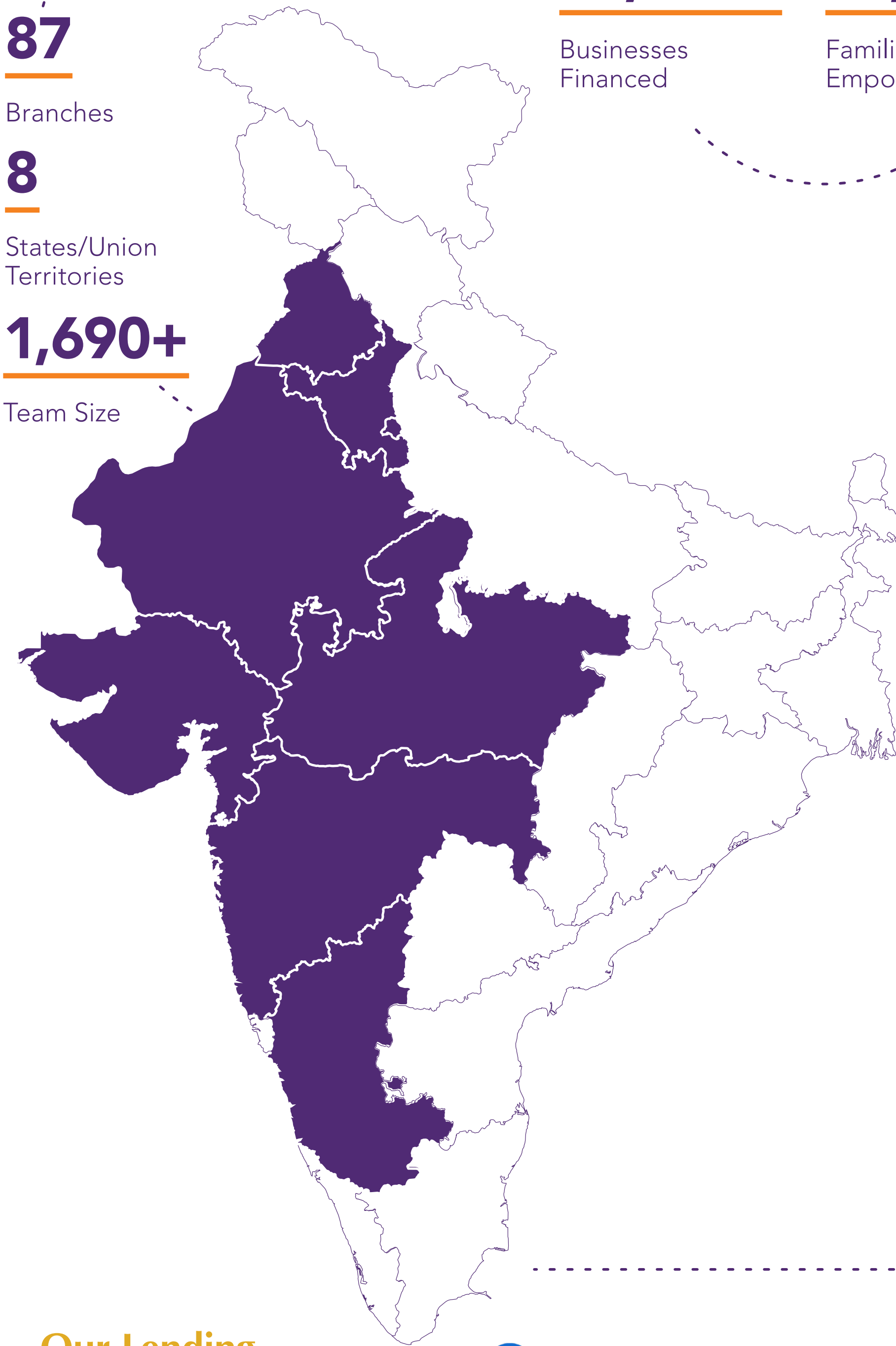
Branches

8

States/Union Territories

1,690+

Team Size



Our Achievements

12,500+

Businesses Financed

10,200+

Families Empowered

22,900+

Live Accounts

Our Lending Partners

22

Number of Lending Partners

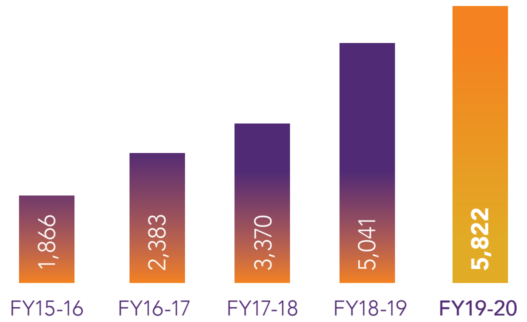
State Bank of India
ICICI Bank
punjab national bank
Bank of Baroda
Union Bank of India
Andhra Bank
Bank of India
Bank of Maharashtra
HDFC BANK
Indian Bank
United Bank of India
UCO BANK
YES BANK
kotak Life Insurance
DENA BANK
Karnataka Bank Ltd.
sidbi
SHINHAN BANK
AXIS BANK
LIC
Canara Bank

Key Performance Indicators

Evaluating our Progress

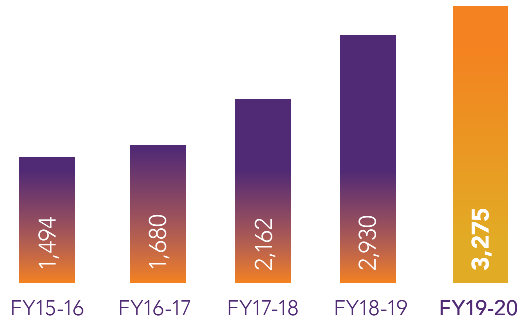
Total Income 15.49% Y-o-Y growth

(₹ in Million)



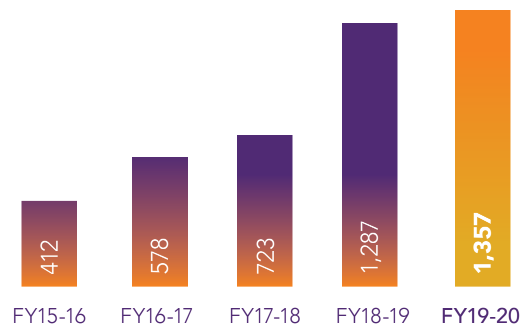
Net Interest Income 11.77% Y-o-Y growth

(₹ in Million)



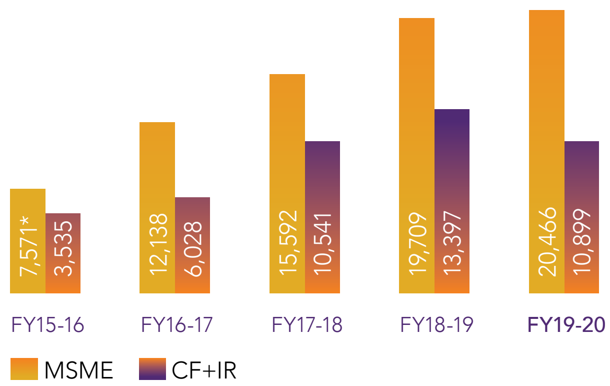
Profit after Tax 5.48% Y-o-Y growth

(₹ in Million)



Assets under Management (5.25)% Y-o-Y growth

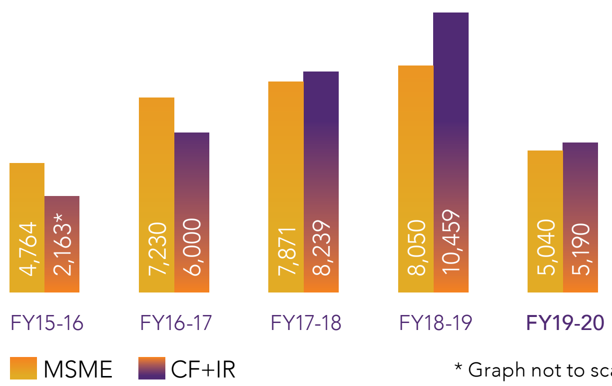
(₹ in Million)



* Graph not to scale

Loans Disbursed (43.71)% Y-o-Y growth

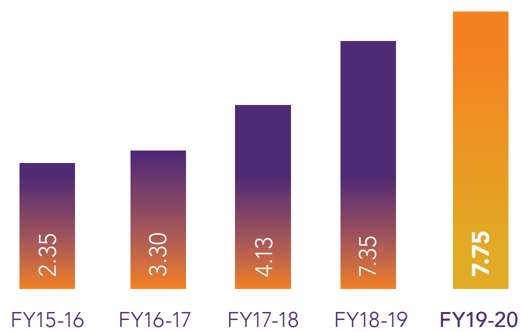
(₹ in Million)



* Graph not to scale

Earnings per Share

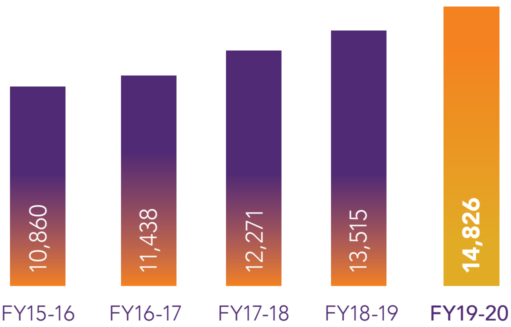
(₹)



FY 2018 and FY 2019 figures are as per Ind AS | FY 2015, FY 2016 and FY 2017 figures are as per IGAAP

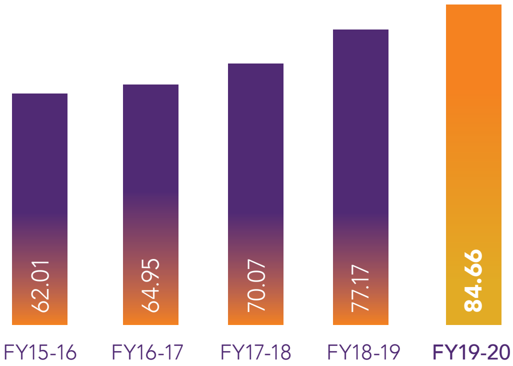
Net Worth

(₹ in Million)



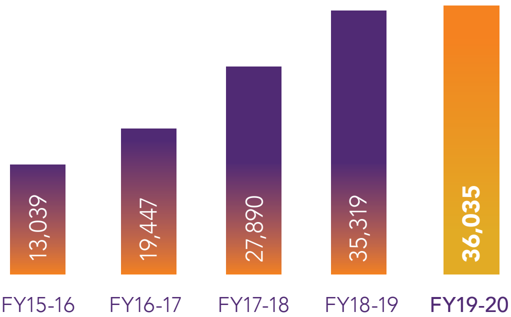
Book Value per Share

(₹)



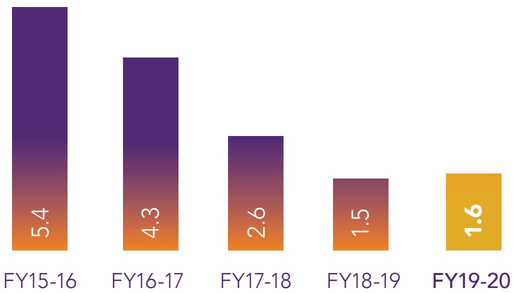
Total Assets

(₹ in Million)



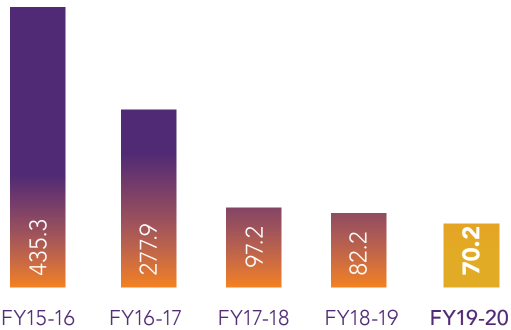
Average Ticket Size - MSME

(₹ in Million)



Average Ticket Size - Construction Finance

(₹ in Million)



Message from the Managing Director

Giving wings to New India

Dear Shareholder,

During FY 2019-20, at CGCL, we delivered our most profitable year ever. The ₹1.61 Billion we earned on ₹7.20 Billion in revenues was 21.7% higher than in FY 2018-19. Despite the challenges faced by the overall economy, specially NBFCs in the last year and a half, these results reflect how well our model can perform even in an uncertain environment. Most importantly, we closed FY 2019-20 with strong liquidity and high Capital Adequacy Ratio (CRAR) of 38% to tackle any headwinds arising out of ongoing COVID-19 pandemic.

It's a well-known fact that the real test of a business model is in the times of adversity. Today, the world is facing an unprecedented challenge and the crisis is still unabated. This crisis has shaken many businesses; brought the economy to complete halt and has affected many medium and small sized entrepreneurs. As a firm, we are taking actions to support our people, their families, and our clients. I am proud of how our people have reacted amidst these circumstances, demonstrating the resilience and resolve they put forth on a daily basis on behalf of our clients.

The impact on the MSME segment is well recognised and has prompted the Government of India (GoI) to announce multiple packages to support this critical segment of the economy. The ₹ 20 Trillion economic stimulus announced by GoI is directed majorly to help save lives and

FY 2019-20 highlights

9.5%
Net Interest Margin

3.7%
Return on Assets

11.0%
Return on Equity

95%
Share of Long-Term Borrowing – Banks and Financial Institutions (FIs)

38%
Capital Adequacy Ratio (CRAR)

livelihoods, along with supporting the MSMEs. We are committed to serve the government's mandate in the best way we can. The real engines of our developing economy are small and medium enterprises, who continue to create opportunities for a large proportion of the population to bring them to the economic mainstream.

The significant changes in market conditions have adversely impacted many large and small NBFCs as well and has forced many firms to revisit their business models and assess their resilience. As the crisis unfolded and we went from one lockdown to another, we became even more confident of our business model.

During the year, we made significant progress in our day-to-day operations, as we grew our customer base by 15.5% to 22,928 customers. During FY 2019-20, we have consciously slowed down on our construction finance and indirect lending (wholesale) loan book. This strategic decision enabled us to focus better on expanding our retail book and as a result its share in the overall loan book has expanded to 73% in FY 2019-20 vis-à-vis 67% in FY 2018-19. Our overall Net Interest Income grew by 19.6% to ₹3,872 Million with expansion in Net Interest Margin (NIM) by 22 bps.

We continued with our focus on expanding the MSME and Housing Finance segments with ~60% business being generated therein. At CGCL, we continue to be the agents of change, continuously seeding financial empowerment and in turn the socio-economic mainstreaming of every Indian woman. Our women borrowers/co-borrowers comprised 91% of our total customer base. Also, within retail side our focus area continues to be rural and semi-urban population, which are first-time to credit and possess little to no formal documentation.

During the last 12 months, we have built and maintained a strong liquidity position with addition of new bank lines of ₹20 Billion and have undrawn credit lines of ₹6.1 Billion at the end of FY 2019-20, the highest ever in the history of CGCL. Additionally, we have ~₹4.35 Billion of cash and liquid investments, which make us well placed on liquidity front at this point to tackle any short-term headwinds. At CGCL, we have always focused on the sustainable portion of long-term growth and accordingly, have remained cautious about any short-term asset and liability mismatches by ensuring optimally matched balance sheet.

To enhance our customer recall and to help strengthen our relationships, we initiated a brand revamp exercise. This was conducted in a scientific manner, with inputs from both internal and external stakeholders. We now have a new brand logo, which resonates better with our corporate philosophy and connects better with our customers.

Our cost savings were accelerated with low-cost expansion spree, using a hub-and-spoke model. Each hub comprises a larger branch, undertakes responsibilities of smaller spokes (small branches in nearby locations) to decentralise operations for better turnaround times and optimised cost structures. Our regionally customised market strategies have enabled us to sustain and strengthen our niche in the markets we cater to. During the initial days of the COVID-19 crisis, our immediate priority was to ensure well-being of employees, customers, clients, and communities in what is an unprecedented and uncertain environment. The safety and well-being of our people, will continue to be our key priority. We have ensured that our workforce has the right tools to ensure that they can effectively work remotely, including operations and finance teams, sales, credit and risk managers, thereby ensuring their safety and well-being.

Going forward, technology and teamwork will play an ever-bigger role in driving businesses. If we have received one invaluable lesson from the COVID-19 outbreak, it is that technology can help us stay together, inspire each other, and move forward, despite challenges. During the year, we undertook various digitalisation initiatives towards automation of HR, customer onboarding and credit decisions. During FY 2019-20, we imparted more than 500 training sessions to upskill our team members. Additionally, we conducted various motivational and engagement initiatives to help our teams stay on top of the game.

This crisis has proven that its not enough to just have a resilient business model, it is about having the right culture and being passionate. It was indeed heartening to see our teams going out of the way to help our clients and customers and address their concerns in the best possible way. They truly define the CGCL culture and I feel an immense gratitude towards them. While there is no shortage of challenges ahead, I am confident in our ability to continue to rise and meet them. We will continue to focus on lifting our communities and will keep providing them with best and timely financial solutions to help them bounce back and contribute towards reviving the economy.

Thank you,

RAJESH SHARMA
Managing Director

Product Bouquet

Our growth engines

In our mission to integrate the underserved of India into the narrative of financial inclusion, we are leveraging a versatile portfolio – one that operates in crucial financial domains to empower more people every day.

MSME LENDING

Industry potential

MSME is an indispensable contributor in the socio-economic development of the country. The segment encourages entrepreneurship and generates large-scale employment. MSMEs are playing an increasingly critical role in India's emergence as a developed nation with significant contribution to national growth.

MSMEs account for ~35% of total credit exposure in India, with majority of it parked with the private and public sector banks. NBFCs have also played a significant role in recent years. There is an immense opportunity to expand presence, even as leading NBFCs continue to independently secure their market share.

Name: Rajkumar Pandey
Location: Jaipur, Rajasthan
Type of Loan: MSME Loan
Loan Amount: ₹ 2.27 Million

35%

MSME's Share of Credit in India

MSME Lending at CGCL

The MSME segment has been one of the strongest components in our growth wheel, and a critical link in our financial inclusion agenda since the segment's launch in FY 2012-13.

Quick facts

Product portfolio: Business loan against residential/commercial/industrial properties

Ticket size: ₹0.5-7.5 Million, with average ticket size of ₹1.6 Million

Tenor: Up to 180 months, with average tenor of 4-6 years

Security: First and exclusive charge on collateral property with clean and marketable title

~48%
Average Loan to Value

₹20,466.30 Million
AUM

100%
Self-origination Loan Model

12,578
Customer Outreach

4.04%
Gross Non-Performing Asset (GNPA)

16.68%
Portfolio Yield

Strategy

We are lending to the MSME segment to empower budding businesses, mostly in the informal sector. This includes an ecosystem of kirana stores, repair shops, hardware or building material suppliers or contractors, small-scale private schools, food catering businesses and so on. We have partnered over 12,500 entrepreneurs across India. Our MSME division made exceptional strides during the year with the entrepreneurs associated with us witnessing steady growth.

A strong foothold in a considerably underserved segment lends us a unique edge. Majority of the consumers are new to the formal credit system. We adopt a differentiated approach to profile customers efficiently and connect them with suitable plans. Secured lending is a business that demands strong commitment and accurate estimations. We strategically allocate the tasks included in the process of loan origination across specialised departments to eliminate scope for ambiguity or error.

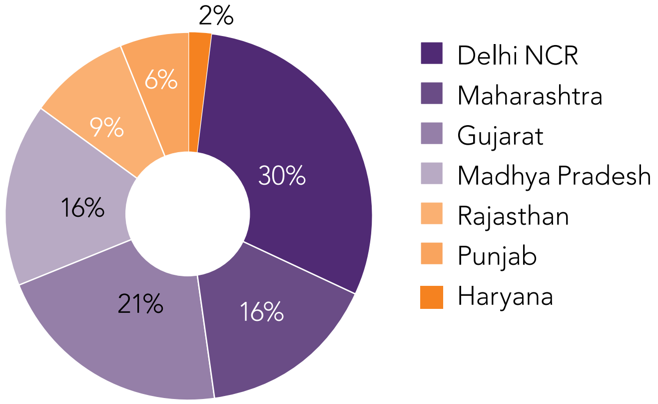
- **Secured and focused**

Our loans are secured by way of customer's self-owned, residential, industrial or commercial property(ies). With a strong focus on financial inclusion, ~33% of borrowers are first-time applicants for formal credit and ~91% of them are female borrowers or co-borrowers, who, we believe, bring in more discipline into loan repayment. During FY 2019-20, we introduced a new product to extend greater financial assistance to female entrepreneurs and enable self-reliance.

- **Far-reaching presence**

As of FY 2019-20, we operate on a network of 85 branches and 500+ Relationship Managers, catering majorly to Western and Northern India.

MSME Assets by Geography

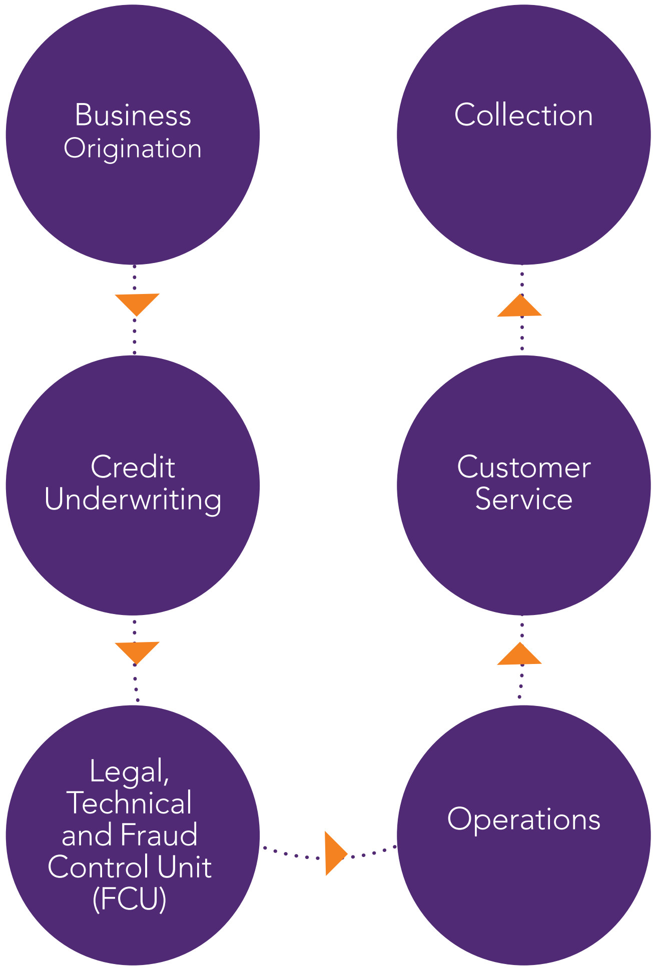


- **Loan origination and execution**

Our end-to-end loan origination process facilitates customer success. We reach out to those deserving individuals who do not find ready services from traditional institutions due to stringent regulatory reasons.

Our Direct Sales Team (DST) is responsible for business origination. They execute doorstep meetings with customers for briefing and document collection. Following the loan application, our vigilant underwriters conduct field investigation to evaluate cases up-close. They analyse the current cash inflows to conceive focused solutions and profile borrowers in line with our established standards.

Our technical managers perform collateral valuations and legal team verifies documents, ensuring authenticity in the stated borrowing cause. Upon approval, the operations team conducts payment-related formalities, besides digitising and storing the files.



Product Bouquet

Our risk categorisation model has propelled our current disbursal ratio to stand at 33%. Direct supervision of the Board over the credit process further enabled the growth of our lending business.

33%

Login to Disbursal Ratio

- **Strong diligence**
Operating in a sector that regularly interacts with customers with inadequate formal documentation, we follow a strong multi-scrutiny and post-disbursement monitoring procedure. This helps us maintain robust Loan to Value (LTV) of 48%. A dedicated credit manager is appointed across branches. Every loan sourced by our sales personnel goes through due diligence processes before being sanctioned. Disbursements of sanctioned accounts are monitored every month.

- **Delivering delight**
Our courteous and efficient customer service facilitates easy application. Customers are welcomed in to the CGCL family, sent reminders to prepare for approaching payment dates and aided by our grievance redressal system. Our focus is on uplifting lives and ensuring no customer leaves unsatisfied.

- **Collection efficiency**
We have an independent department looking over collection-related matters. In delinquent cases, we follow a rigorous process that includes actions like customer visits, legal proceedings under Section 138 of the Negotiable Instrument Act, 1881 and Arbitration, among others.

- **Technologically forward**
We made significant inroads into technology usage and are shifting towards data-driven sourcing, which closely estimates the probability of defaults and provide our customers with seamless sales and service support. Our pan-India interaction number, 18001021021 is operational on all working days (Monday to Friday 10.00 – 17.00 hours) to serve our customers.

- **The customers building efficiencies**
We have a two-pronged strategy to sustainable AUM growth in the MSME space:
  - Increasing productivity of existing sales personnel
  - Requisite branch expansion

CONSTRUCTION FINANCE

Industry potential

The government is encouraging greater transparency by way of measures like Demonetisation, Goods and Services Tax (GST) and the Real Estate (Regulation and Development) Act, 2016 (RERA), which have helped shore up home-buyer confidence. There is a marked consolidation and an inclination to start projects with branded developers. The government's 'Housing for All' by 2022 scheme is another commendable act in the same direction. This initiative has lately been rendered the status of 'infrastructure', with a mission to provide affordable housing to the low- and mid-income groups.

As per a CARE Ratings report, the policy changes in the last 2 years enabled the affordable housing segment to look at development of 6-8 Billion sq. ft. land in India over the next four years. Several residential players are expanding their portfolio into the affordable segment.

Construction Finance at CGCL

We forayed into the Construction Finance business in 2010. Under this portfolio, we offer construction-linked loans to small and mid-sized real estate developers for timely and successful completion of their residential projects.

Quick facts

Product portfolio: Construction-linked loans to small and mid-sized real estate developers

Ticket size: ₹70-250 Million, with average ticket size of ₹70.2 Million

Average tenor: 42 months

Security: Exclusive lending with escrow mechanism, secured against cash flow of 2.5x and asset cover of 2x

₹9,619 Million
AUM

100%
Self-origination Loan Model

134
Customer Outreach

0.17%
GNPA

18.44%
Portfolio Yield

Strategy

We are prudent in our growth endeavours within the Construction Finance portfolio and have developed robust internal mechanisms to mitigate risks inherent in the sector. Loan proposals pass through multiple screenings on various parameters, like promoter background and track record, project location, construction status, market analysis and project cash flows, among others. We finance developers who have minimum 5 years of on-field experience and successful project deliveries to his credit. The developers' personal equity in the project to be financed forms a key parameter. We seek projects with potential and focus on transparency in the lending process, and strict adherence to our lending parameters.

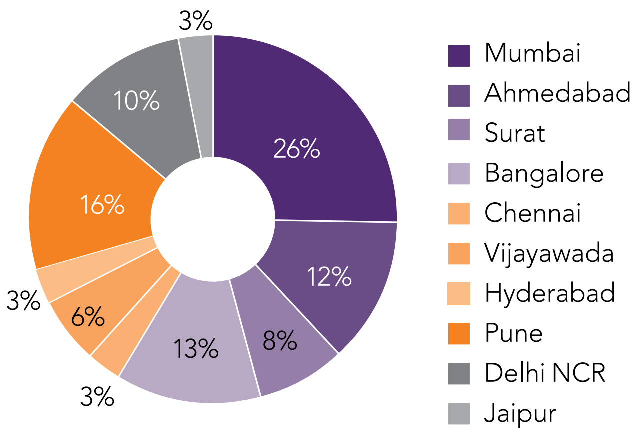
However, in March 2020, due to the COVID-19 pandemic, the sector is expected to witness short-term volatilities, which may bear an impact on the growth in the next financial year.

- **Reach**

The division caters to the fringes of the Tier-I and II cities. Currently, we are present across 10 Indian locations: Mumbai, Pune, Bangalore, Hyderabad, Vijayawada, Ahmedabad, Surat, Jaipur, Chennai and Delhi NCR.

Our commitment to financing small-ticket, affordable and budget residential projects differentiates us. We diversify risk by managing multiple accounts under the umbrella of small-ticket sizes between ₹70 Million and ₹250 Million.

Construction Finance Portfolio by Geography



Product Bouquet

- **Managing assets efficiently**
Each of our cities has a designated team, supported by about 2 credit processing officers. There is a centrally allotted credit team for detailed evaluation of proposals on strict parameters. including promoter background, track record, project location, construction status, market analysis and estimated cash flows. Loan approvals in this segment come from a committee of business heads and Board members to maintain highest standards of diligence. These measures ensured the lowest gross NPAs for us in Construction Finance.

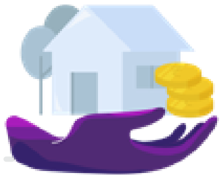
- **Superior monitoring**
We undertake monthly project MIS of each account, which covers periodic review of milestones, mapping of project inventory, sales and cash-flow management analysis. We also undertake quarterly review of each account. Beyond this, we conduct regular site visits to monitor construction progress and escrow account analysis.

- **Technology for efficiency**
We leverage technology-based tools to expedite underwriting and decision-making, thereby, helping strengthen our competitive advantage and risk management. We are in the process of revamping our entire technological framework for our wholesale book and the same is under User Acceptance Testing (UAT). We expect the system to be up and running during FY 2020-21.

- **Sectoral outlook**
  - Business is likely to stabilise in about 4 months after June/July 2020
  - During the year under review, January and February recorded healthy sales growth and the revival kickstarted towards the end of 2019 will continue following the lockdown
  - The projects where sales is already locked in will benefit from the collections linked to construction milestones

We are vigilant about development around our geographies of operation and prepare for volatilities. We proceed cautiously with the following strategies:
- Primary focus on maintaining portfolio quality
- Close monitoring of accounts and collections
- Focused performance analysis of cities impacted by COVID-19

HOUSING FINANCE



Industry potential
India is the world's second most populous country, with a housing shortage of over 62.4 Million units and a market size of over ₹21 Trillion. This reveals a significant opportunity for the industry with ~95% of the housing shortage in India being concentrated within the Low-Income Group (LIG) and Economically Weaker Sections (EWS). This is traditionally owing to the difficulty in accessing finance for this group in the population pyramid. Proactive government initiatives to provide 'Housing For All' by 2022 under Pradhan Mantri Awas Yojana (PMAY), credit-linked subsidy, lower GST and income tax exemptions further bridged the gap between demand and supply cycle of the industry.

Housing Finance at CGCL
Managed by our wholly owned subsidiary, Capri Global Housing Finance Limited (CGHFL), the business is registered with National Housing Bank (NHB) and regarded as a Premier Lending Institution (PLI) for Credit Linked Subsidy Scheme (CLSS) under PMAY.

Quick facts

Product portfolio: Home loans for
- Purchase of ready/under-construction residential units
- Construction/extension renovation of homes
- Plot purchase and home equity loans

Ticket size: - Metro cities: ₹0.5-5 Million
- Non-metro cities: ₹0.2-4 Million (Average ticket size of ₹1.1 Million)

Average tenor: Loan period 20-25 years; average tenor of about 8 years

Security: - Up to ₹3 Million loan: LTV of 90%
- Above ₹3 Million loan: LTV of 80%
- Average LTV of 59%

Borrower profile: - Low/mid income group in Tier-II and III cities
- Self-employed with limited financial documentation and/or first-time homebuyers

₹8,983 Million
AUM

10,200+
Customer Outreach

100%
Self-origination Loan Model

1.21%
GNPA

14.07%
Portfolio Yield

Name:
Anita Chidar

Location:
Madhya Pradesh

Type of
Loan: Home Loan

Loan Amount:
₹ 0.7 Million

Strategy

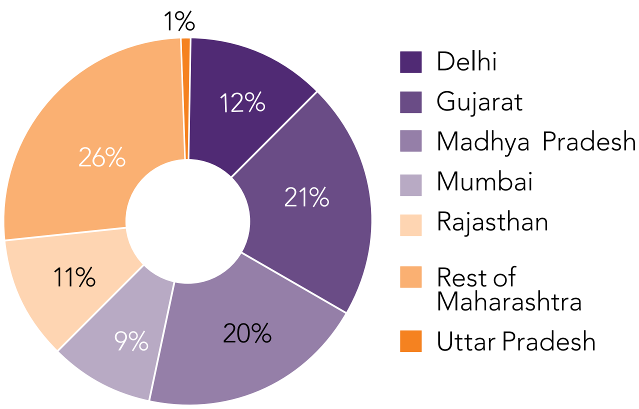
The business operates with 78 branches across 6 states to strategically leverage the synergies of the MSME business and expand its product offerings to housing aspirants. We appointed dedicated teams for new business acquisition and a strong credit appraisal framework is in place for financing in the affordable housing segment.

The Housing Finance division primarily serves the middle and lower middle-income population in the Tier-II and III cities. Loans are secured with residential property as security. Loans, once disbursed, are monitored regularly for customers to pay within stipulated period. A major part of the housing loan products is extended to female borrowers or co-borrowers. As of FY 2019-20, female borrowers stood at 91% of total Housing Finance AUMs.

Indirect Retail Lending

We forayed into indirect lending i.e. lending to small NBFC players in FY 2018-19. We cater primarily to NBFCs with net worth of over ₹500 Million and AUM of ₹1,000-1,500 Million. We follow strict lending parameters and an in-depth analysis of the borrower's case. The customers we work with are fintech-based NBFCs, Small and Mid-size Enterprises (SMEs) and auto-finance companies. They have strong credentials and at least a 2-year-old portfolio, which is unrated or has BBB credit rating. We are never the first lender to this category of borrowers. Considering the headwinds faced by NBFCs, we have adopted a cautious approach during the last financial year. The portfolio of Indirect Retail Lending is ₹1,278 Million at the end of FY 2019-20 with a yield of 15.52% and nil NPAs.

Housing Loan Portfolio by Geography



Quick facts

Borrower profile: Lending to retail-focused NBFCs with net worth over ₹500 Million

Ticket size: ₹50-500 Million, with average ticket size ₹22 Million

Average tenor: 26 months

Security: Secured through hypothecation of receivables and/or personal guarantee of promoters/ corporate guarantee

₹1,278 Million
AUM

9
Customer Outreach

100%
Self-origination Loan Model

15.52%
Portfolio Yield

Investment Case

Why choose us?

Equal access

We believe, that equal access to capital can drive collective progress and wellbeing. As a policy, we focus on supporting grassroots entrepreneurship to create economic value that triggers a 'change for good' for society.

Diversified loan book

Presence across small-ticket retail loans in MSME, Construction and Housing Finance segments and 100% collateralised portfolio.

Ample growth opportunities

Our target segments (MSMEs and affordable housing) have large unfulfilled demand, representing huge potential. Our granular portfolio amplifies our growth prospects.

Loan origination

We have a strong loan origination strategy with 100% own sourcing of customers and stringent sanction process. We focus on personal touchbase to understand client's profile for the disbursal process, rather than basing decisions on documentation alone. Multi-layered credit approach, customised regional strategies, superior underwriting process and in-house collection mechanism strengthen our business operations.

Optimal balance

Optimally matched balance sheet for asset-liabilities to counter any liquidity crunch and large part of borrowings through banks to lower the cost of borrowing. Large part of borrowings is long term from banks and FIs to lower the cost of borrowings

Business model

- **Strong loan origination**
  100% own sourcing teams
- **Multi-layered**
  Credit approach
- **Robust**
  Risk management

Robust risk management

We provide loans which are 100% secured by assets and follow a four-step risk control mechanism with scrutiny at multiple levels. Additionally, safeguard processes like the maker-checker approach and sound credit assessment framework have enabled us to safeguard our margins. Our Non-Performing Asset (NPA) rates are at par with some of the best in the industry.

2.36%	100%	33%
GNPA Rates	Secured Assets	Disbursal Rates

Strong financials

We have adequate liquidity to support AUM growth. We also rely on a diverse set of lenders, with a dedicated line of credit to mitigate our borrowing concentration risk. We have positive Asset-Liability Management (ALM) and were able to maintain A+ (CARE) and AA- (BWR) ratings amid peer downgrades.

~95%	A+	AA-
Long Term Borrowings-Banks & FIs	CARE Ratings	Brickwork Ratings (BWR)

Experienced leadership and committed team

We have an optimal mix of experienced leaders and a young committed workforce. Together, the team adds up to the confidence levels of our investors to generate significant value for all our stakeholders with a long-term focus.

200+ YEARS

Combined Leadership Experience

External Environment

Responsive to changing market dynamics

Businesses aspiring to thrive, need to keep pace with the ever-evolving markets. We, at CGCL relentlessly strive to capitalise on available opportunities to enhance stakeholder value. Here are some of the opportunities which we think will fuel our growth:

IMPETUS TO THE MSMEs

The Ministry of MSME has set an ambitious target of $2 Trillion contribution by 2024, as India aspires to touch the benchmark of a $5 trillion economy. That is ~40% of the GDP contribution from the current 30%, representing a huge growth opportunity. As the MSMEs grow, their requirements for credit also has increased from ₹8 Trillion in FY 2011-12 to ₹18 Trillion in FY 2019-20. There is a huge gap in the credit demand and actual supply of debt for MSMEs to the tune of ₹19.4 Trillion, representing a tremendous opportunity for NBFCs.

40% by 2024

MSME Contribution to GDP

AFFORDABLE HOUSING

The government has announced an aggressive target to provide Housing For all by 2022, translating to development of ~60 Million new houses by 2022. Additionally, the demographic dividend of the youth and rising urbanisation and nuclearisation, along with higher disposable incomes are expected to enhance the demand for housing. The programmes like PMAY, encouraging home ownership further amplify the growth in this segment.

60 Million by 2022

New House Demand

Name: Meena Patole
Location: Indore, Madhya Pradesh
Type of Loan: Home Loan
Loan Amount: ₹ 2.29 Million

DIGITALISATION

Digitalisation is turning out to be a game changer for all industries. The financial services sector is also focusing on digitalisation in a significant way, especially in the post-lockdown era. Digitalisation is bringing transparency and end-to-end visibility of operations, simplifying processes, eliminating redundancies and enhancing productivity. Besides, it also presents an opportunity to connect with more customers and stakeholders and make a bigger impact.

FUTURE OF BANKING, FINANCIAL SERVICES AND INSURANCE (BFSI)

With technologies like blockchain, Application Programming Interface (API), Artificial Intelligence (AI), Machine Learning (ML), Robotics Process Automation (RPA) and Internet of Things (IoT) taking the centre-stage, financial business processes are rapidly ramped to shorten processes and increase transactions. Customers being lured by the speed and ease of digital transactions and processes; digitalisation is the way forward for the banking and financial services industry.

GOVERNMENT'S BOOST FOR CREDIT FORMALISATION

Since MSMEs are a vital element for taking India forward on global growth map, the government has been focusing on formalising credit sources for MSMEs through initiatives like 59-minute loan portal, encouraging more transactions on Trade Receivables Electronic Discount System (TReDS) platform, expansion of Credit Guarantee schemes and interest subvention schemes for the MSMEs. Besides, larger public beneficiary schemes like Jan Dhan accounts and Direct Benefit Transfers already laid the foundation of formalising economy for the underserved category of population, bringing them to mainstream economy and aiding their growth. These measures provide immense opportunities in the lending market to cater to these sections.

Name: Omvati and Manphool Singh
Location: Delhi
Type of Loan: MSME Loan
Loan Amount: ₹ 0.72 Million

Strategic Priorities

Ready for tomorrow

We understand the needs of our customers and customise our offerings to suit their needs. With our ideal mix of experience and youth in the team, we carefully craft strategies and execute it to fulfil our broader goal of contributing to a financially empowered India.

Introduction

FOCUSING ON THE CORE

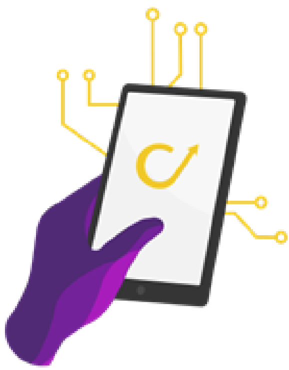
Our core business segments account for a substantial part of our business. Ensuring that the core business segments are performing optimally, is critical to the success of our business.

COST-CONSCIOUS EXPANSION

Our branch is a major touchpoint for our customer connect. The success of our business depends to a large extent, on enhancing productivity across the organisation.

RISK-MITIGATED APPROACH

Effective risk management is vital for us to stay ahead of the curve.



TECHNOLOGY AS AN ENABLER

We are digitalising our internal processes considerably as a future-focused financial services provider.

What we did	What we want to do
• Focused on lending to SENP customers with personalised credit assessments, which cannot be replicated by digital lenders, catering to the same segment • Strong focus on asset quality and onboarding quality portfolio	Continue strengthening our core business segments with superior quality loan assets, backed by greater collateral, leveraging our brand reach and customised offerings
• Adopted the hub and spoke model, which enabled – Low-cost penetration to underserved markets – Decentralised operations to optimise turnaround time	We intend to dive deeper into our existing geographies, further leveraging on our hub-and- spoke expansion model
• Risk management imbibed in origination process with small ticket and 100% collateral-backed loans • Consciously de-grew AUM loan book in Construction Finance and Indirect Retail Lending segments	Continue existing strategies for small-ticket originations and cautious lending approach for construction segment to keep our business risk averse
• Mined extensive data from credit information companies to acquire market insights • Implementation of state-of-the-art technology for loan origination and loan management, complemented by ERP system – SAP HANA basic • Imbibed the advanced technologies into processes	Continue to enhance technology initiatives in the coming year, with simple and agile processes

Sustainability Strategy
Strengthening ESG performance

We look at our business through the long-term lens of value creation for all stakeholders, which includes customers, employees, business partners, regulators, investors, community and the nation. Therefore, we ensure all our business activities are conducted in the most sustainable manner with emphasis on social, environment and governance parameters. Value creation may involve different initiatives for parameters. While social parameters may involve enabling employment through skill development, providing quality education, maintaining health and hygiene and providing disaster relief. The environmental initiative involves various green initiatives like afforestation, use of LED lighting, banning single use plastics and so on. The governance on the other hand includes compliance with regulatory framework, by approaching specialised functions to specialised committees.

CARING FOR THE PLANET

We help increase green cover across plantations with focus on enhancing livelihood of indigenous communities surrounding of Thane. During FY 2019-20, we planted 2,000 trees and the programme made our culture more ecologically conscious. We provide livelihood opportunities to native farmers in fruit tree cultivation.

2,000

Trees planted

No plastic

We are reducing plastic usage, including complete ban on single-use plastics at all our offices across pan-India basis.

Energy and water efficiency

We are focusing on enhancing our energy efficiency with the use of LED lights and other energy-efficient electronics. We also advocate efficient usage of water and reducing waste to the maximum extent possible. We are mindful of the limited availability of these resources. If not used sustainably, it will adversely impact our ability to create long-term value for stakeholders and endanger the lives of communities.

SOCIAL IMPACT: REACHING OUT WITH EMPATHY

At Capri Global, we are dedicated to improving the Human Development Index by emerging as a parenting organisation to social change agents operating at the ground level. The Capri Global CSR is working to implement myriad sustainable social development initiatives across business locations.

At Capri Global, our mission is to contribute whole-heartedly to improving social equity and sustainable growth by empowering the marginalised. Our spends are within the regulatory framework and comply with Section 135 of the Companies Act, 2013 and all activities are approved by the Board of Directors and are covered under Schedule VII of the Companies Act, 2013.

Our CSR interventions are crafted to enhance quality of life of the community around our business locations, by way of generating sustainable livelihood, healthcare and education among target groups like children, youth and women.

Project execution model

Our interventions are implemented as individual projects by adopting a holistic approach, encompassing the following steps:

- Profile analysis
- Project formulation considering the stakeholder partnership
- Project implementation
- Concurrent participatory monitoring
- Social evaluations

Given the approach, our activities are segregated across three broad areas:

- Sustainable livelihood and women empowerment
- Healthcare
- Education and infrastructure (including community development)

CSR initiatives

KEY INTERVENTIONS	OUR REACH
Skill development and women empowerment	**14,550**
Education and advocacy	**2,002**
Health, nutrition, hygiene and advocacy	**4,397**
Sustainable environment	**1,000**
Disaster relief response	**1,000**
COVID-19	**1,400**
Total	**24,349**

Sustainability Strategy

Sustainable livelihood and skill initiatives

The initiatives under this section's programmes are focused on empowering people and enhancing their employability. Our primary emphasis is on rural Indian women and harnessing their potential as breadwinners, community leaders and change makers. They play a critical role in transforming the economic and social landscape. We conduct diverse initiatives to address every stage and limitation that typically come in their way.

14,550 women

Beneficiaries from Community Initiatives across Madhya Pradesh, Rajasthan and Nagaland

Highlights for FY 2019-20

- The core activities covered under promotion of entrepreneurship are strengthening of Self-Help Groups (SHG) and capacity building of SHGs on digital services of banking, investment, and insurance, through trainings and village-based modules and creation of Behaviour Change Communication material. We have partnered with programmes
- Embarked on a mission to ensure women street vendors get access to their fundamental rights. We educate them on basic skills in health and finance
- Mentored women on the ground realities of their business, expenditure and savings. We are helping them to open their finance on to bank accounts and save on monthly plans

Weaving for growth

We are working with women handloom weavers to drive greater socio-economic development for them. The project promotes access to markets and affordable credit for machinery and raw material. The brand Kala Sutra was launched as a platform to showcase the skills of women weavers as well as to provide an opportunity to kickstart the e-commerce activities. The Capri Livelihood initiative ensures that every project undertaken mandatorily includes capacity building on communication, business and life skills as a concurrent intervention.

Case study

Kala Sutra at Mrs India Contest

Shraddha Pandit, a resident of Indore, Madhya Pradesh is a Zumba trainer. She participated in the Mrs. India contest by Visionara. Shradha approached Kala Sutra to help customise her outfit for the pageant.

The journey to win the title began with curating fabrics and designs for her appearances. The women in our SHGs were involved in stitching the costumes. Two women associated with Kala Sutra travelled to Indore for the pageant. The women learned to stitch showroom-ready attires and professional skills to start their own ventures.

For one of the women, Chandrakanta, it was the first time stitching a blazer and a contemporary cut of blouse and pants. Another member, Tamanna who wishes to start a boutique, learnt new forms of stitching and made her first cocktail dress.

Shraddha won and was crowned Mrs. India Globe. She thanked the women from Maheshwari, connected through Women's Integrated and Synergistic Empowerment (WISE), under Kala Sutra, who helped her look perfect on her big day. She wore a Maheshwari saree for her National Costume round, which ultimately won her the title. The winning saree was sourced from our group member, Maya Silodre, Leader of Shree JLG.

Sustainable agriculture practices

Our sustainable agriculture livelihood projects aim to empower women farmers with the knowledge, skills, capital and encouragement to claim direct market access. Women are educated on their rights pertaining to fair prices for collective produce and adopting sustainable practices to make agriculture a holistically profitable enterprise. They are being trained in optimising proven profit models. In our areas of intervention, distribution of custard apple saplings, contract farming of Okara as well as types of chillies, gourds and beans have been assigned fixed prices from an exporter.

Case study

Growing every day as a smart agriculturist

Vimal Bhagwan Kalel belongs to a family of farmers and goat rearers in Andharwada, Jambhuni village. They grow jowar, bajra, wheat, onion, green leafy vegetables and so on and seek to bring the best produce to the market. However, living in adverse weather conditions, it often became difficult to recover the input costs in case of crop losses. Sometimes they would earn as less as ₹3,500 a month to sustain a family of nine.

We are part of the Farm to Market initiative in association with Mann Deshi Foundation to which Vimal was introduced. She attended workshops on financial literacy, marketing, budgeting, packaging, agricultural inputs for highest yield and so on. She was also taught to formulate Join Liability Groups to access formal finance, information on crops to cultivate during water shortage and diversifying cultivation to generate best yield and market returns. She participated in their Goat Doctor programme and benefited from vaccination and insemination activities.

From owning three goats her family now rears ten. She is skilled at cultivating baby corns very swiftly and garner more returns. Currently, she earns ₹11,000 a month. Supported by smart agriculture training and tools, she is optimising resources for maximum yields. She attributes much of her success to the training she received with us.

Sustainability Strategy

Health, hygiene and nutrition

Addressing the malnutrition challenge in the Indian context is one of our key focus areas. We are working to reverse the scale and statistics of the issue by adopting a multi-pronged crackdown on the factors and complex nature. We partner with existing and emerging platforms to deliver enhanced nutrition to the children in far-flung communities.

Capri social initiatives conducted

4,397

People Reached through our Interventions on Health, Hygiene and Nutrition

894

Nutrition

3,503

Health and Hygiene

Battle against malnutrition

We made provisions to distribute nutritious meal among underprivileged children attending government schools and those studying in Capri Global supported academic centres in indigenous settlements. Across target locations, 84% children showed positive movement in Body Mass Index (BMI). The project works to bring down malnutrition and dropout rates and advance the United Nation's Sustainability Development Goal (UN-SDG) of eradicating hunger and poverty and making primary education commonplace for each child in India.

Busting myths and taboos

This initiative works closely with women and adolescent girls in parts of Bhopal, Madhya Pradesh to reduce stigma around menstruation and enable conversation around it in the community. Our objective is to facilitate increased accessibility of eco-friendly menstrual hygiene products for these women to ensure sustainability and good health.

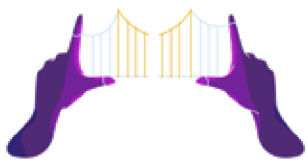
Capri education initiative

Our education programmes are aligned with the UN-SDG: Ensuring inclusive and quality education for all. Activities include improving quality of education and imparting functional literacy. We seek to improve school infrastructure, including sanitation facilities and providing financial assistance to meritorious students.

Education initiative

2,002

Students Reached Under Diverse Education Programmes



We partnered with leading organisations to raise awareness on child sexual abuse and help those in need. The programme is working with National Service Scheme volunteers to develop a pre-emptive and proactive mindset, speak up against Child Sexual Abuse and build a culture of accountability.

Incubation and research projects

The incubation projects we support explore the application of cutting-edge technology to solve real-world problems. We collaborated with IIT Kanpur (IIT-K) and are encouraging initiatives like 'Tech Talks', which is a community-based intervention to connect with young innovators. We seek to extend a medium for researchers to learn, engage and exchange ideas and solutions with experts across fields. We are driving Innovation Fellowship - as an ecosystem, which strives to identify and stand by India's best entrepreneurial talents, to build next-generation deep-tech companies.

DISASTER RELIEF RESPONSE

Floods in Maharashtra, Bihar, Assam and many other states claimed hundreds of lives and displaced thousands during FY 2019-20. We extended a helping hand in protecting the vulnerable who lost much in these disasters. We donated necessary relief and rehabilitation support to over 1,000 flood-affected families in Bihar and Maharashtra.

1,000

Flood Affected Families and Children Reached

Customer's Success Stories

How we make a positive social impact

At CGCL, we believe that inadequate capital should never be an obstacle to achieving progress and that holistic social development is possible when capital is deployed where needed.

We nurtured over 22,900 lives, each with its own unique story. However, we include the following three distinguished stories to inspire our readers.

Partnering perseverance

Varsha Patel's journey towards financial independence and responsibility began when her family was at the verge of bankruptcy, after her husband lost his job. Her college-going daughter, aware of how young people her age frequented cafés, encouraged her mother to open one. They put together the seed money by way of a gold loan and financing from small-scale moneylenders. The Blackwood Café, a humble family venture, came into being and soon business started picking up pace and goodwill.

However, a short circuit incident damaged Varsha's cooking appliances, none of which were secured with insurance. The café had to be shut down and the family was in debt. Varsha had to additionally deal with her husband's prolonged unemployment and the social stigma that came with a failed entrepreneurial attempt in conventional society. It was one of Varsha's close confidantes who recommended her to us for a loan that could get the business back on its feet. Capri Global helped make the renovation possible

Today Varsha has gone from gaining a daily profit of ₹2,000 to ₹10,000 and also caters outside of her café on order. She prioritises fair pricing, unmatched quality and wholesome experience for her customers. Capri Gobal is proud to collaborate with women like Varsha whose grit break through social and economic limitations.

Name: Mrs. Varsha Patel, an entrepreneur
Location: Ahmedabad, Gujarat
Type of Loan: MSME Loan
Loan Amount: ₹1.2 Million

Partnering business expansion

This is the story of Pani Devi and her husband, Prakash from Bhopalgarh, Rajasthan who runs a henna business. Their two young daughters help them in the work, while their son is in the first year of graduation.

Originally working as agriculturists, the couple faced severe losses due to frequent weather volatilities, making them switch to a more stable business. Pani Devi plays an active role in the business and decision-making, along with balancing household chores and family responsibilities. They took their first loan for the business from us, remembering the unconditional support extended by our associates during the disbursement process.

The family business now has access to better resources and lifestyle for their family. Going forward, they plan on expanding with a retail mehndi boutique. We help small businesses multiply their income, set up marketing and distribution channels and manage the working capital.

Helping build a dream home

Sanjay Kumar, a migrant worker from Bihar aspired to own a home in New Delhi. He worked several odd jobs before finding steady work as an airport guard. He saved for the down payment for a housing loan, but to his disappointment, his application was rejected by several banks.

He lost hope, since the high interest rates involved in private moneylending was not a feasible option for him. He finally found his way to his dream home through us. Initially, he was a bit reluctant fearing another rejection. However, our team was ready to handhold and take him through the process patiently. It has been a few years since the loan was sanctioned, but he still remembers our service with gratitude. We also arranged for legal and financial counselling to guide him in selecting better property locations.

Name: Mr. Sanjay Kumar, a security guard at airport
Location: New Delhi
Type of Loan: Home Loan

Name: Mrs. Pani Devi, a businesswoman
Location: Bhopalgarh, Rajasthan
Type of Loan: MSME Loan
Loan Amount: ₹1 Million

Board of Directors

Diversity in the Boardroom

MR. RAJESH SHARMA
Managing Director

Mr. Sharma is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He is the Managing Director, with over 25 years of experience in Capital Market and Financial Advisory Services. A forward thinker, a first-generation entrepreneur and a thought leader, Mr. Sharma has diverse experience in the domain of corporate finance, investment banking, merchant banking and asset financing domains. He has expertise in innovating financial products, designing investment strategies for clients and financial risk management.

He is an astute businessman and his deep insights in the debt markets are reflected in his ability to strategise the entire stakeholder value creation. Building a business on the principles of ethics, economic empowerment and equitable growth, he envisions the Company to rise as one of India's premier financial institutions.

MRS. BHAGYAM RAMANI
Independent Director

Mrs. Ramani is a postgraduate in Economics (Honours from Bombay University with specialisation in Industrial and Monetary Economics and is a visiting faculty at the National Insurance Academy, Pune. She has over 37 years of experience in general insurance sector in various leadership positions. She was an Ex-Director and General Manager of General Insurance Corporation of India (GIC Re). Initiating with executive level, she rose to the ranks of Director on the Board of GIC Re. During her term of service, she has served on various committees like PF, member on Education Board of Insurance Institute of India, working group on Investment Committee of IRDA, Investment Committee of Agricultural Insurance Company Ltd, and GIC Re and Audit Committee of L&T, NSE, IDBI Trusteeship Services Limited, and Agricultural Insurance Company Ltd. etc. She represented GIC Re on the Boards of L&T Ltd., National Stock Exchange of India, IDBI Trusteeship Services Ltd., Milestone Capital Advisors Ltd. and Agricultural Insurance Company Ltd.

MR. BENI PRASAD RAUKA
Independent Director

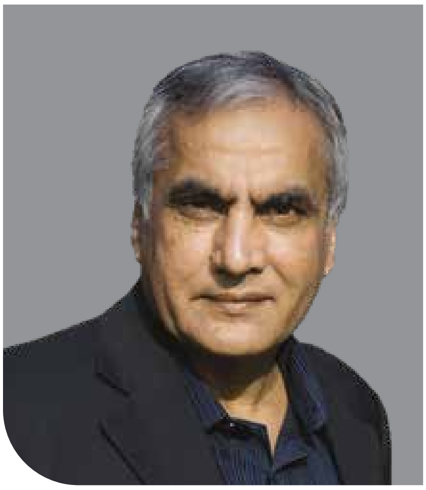
Mr. Rauka is a qualified Chartered Accountant and Company Secretary and has 32 years of post-qualification experience in the field of accounting, audit, taxation, fund raising, compliance and management. He is group Chief Financial Officer of one of the listed Company of SEB Group, which is amongst Top 500 BSE/NSE companies. He also holds office of Director in couple of other public/private limited companies and a listed company. He is also actively involved in philanthropic work being member of CSR committee/s of the Board and as a trustee of couple of Charitable Trust.

MR. MUKESH KACKER
Independent Director

Mr. Kacker holds an M.P.A (Economics) from Harvard University, U.S.A. He is also an M.A. (Political Science) and B.Sc. (Physics, Mathematics) from University of Allahabad. He is a former Indian Administrative Service (I.A.S) officer of the 1979 batch who has held senior positions, in policy making as well as in executive roles, both within the Government of India and the Government of Madhya Pradesh. As a member of NHAI, he was at the forefront of India's highways revolution at the start of the millennium and played a major role in making the NHAI a model for other organisations. As Joint Secretary, Department of Chemicals & Petrochemicals, he wrote the National Policy on Petrochemicals and also served as CMD, Indian Drugs & Pharmaceuticals Ltd. (IDPL). He has served as Director-General, CUTS Institute for Regulation & Competition (CIRC). He has also served as Non-Executive Chairman of DCDC Health Services. He is currently Independent Director on the Boards of DMIC - Haryana MRTS Project Ltd. and DMIC - Haryana Global City Project Ltd.

MR. AJIT SHARAN
Independent Director

Mr. Sharan is a member of the Indian Administrative Service since 1979 and a distinguished experience of formulation and implementation of policies and providing strategic leadership in varied aspects of public administration ranging from law and order, agriculture and rural development, promotion and development of MSME, public distribution of essential commodities, urban development and technical education. Apart from this, he has also worked at the strategy and leadership level in the power and financial sectors.



MR. AJAY KUMAR RELAN
Independent Director

Mr. Relan is an MBA from IIM, Ahmedabad and a University topper in B.A., Economics from St. Stephen's College. He has over 40 years of experience in corporate and investment banking across multiple countries. He was the Managing Partner and Founder of CX Partners, a US$ 515 Million private equity fund. Prior to co-founding the Investment Advisor and serving as its Managing Partner, Mr. Relan headed Citigroup Venture Capital International (CVCI) in India, since the inception of that business in India. He started his career with Citi in 1976 and eventually became the CEO of a Citi-affiliated brokerage firm, Citicorp Securities & Investments Limited. He has served on the Boards of several companies notably Polaris Software, Suzlon Energy, Yes Bank, Jubilant Lifesciences, Thyrocare and HT Media Ltd.

Governance Framework

Leadership that inspires

Our Board comprises industry veterans from diverse backgrounds. We believe that our domain knowledge and experience provide us with a significant competitive advantage as we widen our reach in existing markets and explore uncharted territories. The industry stalwarts who are at the helm of affairs at CGCL bring in best-in-class practices across the business.

BOARD STRUCTURE

Our Board comprises

- Five Non-Executive Independent Directors, including one Woman Director
- One Founder Managing Director

BOARD DIVERSITY

While India Inc. moves from family-driven Boards to Independent Boards, our Board is spearheaded by our Founder Managing Director and aided by a battery of expert Independent Directors.

Together, our Board encompasses a generous mix of professionalism, with experience from niche segments of finance, including debt markets, asset management, investment and merchant banking, insurance, as well as esteemed former administrators from the Indian Administrative Services.

Key focus areas

- To enhance the effective oversight of the policies
- Setting of objectives/goals
- Performance Evaluation of various initiatives undertaken
- Steer the Company towards achieving its long-term goals
- Delivering stakeholders value

Team Capri cheering in London for ICC World Cup 2019

People

Life at Capri Global

Our real brand ambassadors are our people, and we are committed to advance their careers in the best possible manner. Our 1,699-member team helps us strengthen our resilience and remain responsible and future ready. We value and cherish the contribution of our people and undertake various measures to hire, develop, retain and grow our future leaders. We encourage an open-minded culture, which gives the employees an opportunity to exchange ideas and nurture their growth in the Company, leading to long-term success for the Company, as well as them.

ENGAGEMENT

High employee engagement levels promote retention of talent, foster customer loyalty and improves organisational performance. During FY 2019-20, we invited families of all our employees to our offices, enabling higher engagement levels. This also helped us to strengthen our bond with all the team members. The engagement activities conducted across all our branches in a uniform manner were:

Navratri: Garba and colour codes for each of the 9 days
Diwali: A bouquet of fun-filled games
Women's Day: Personalised gifts for empowered women
World Food Day: Potluck to share the joy with fellow team members

CARING EMPLOYER

As an employer, our motive is to make our employees successful. As our success depends on their performance. We ensure that the work environment at our offices is kept as inviting and friendly as possible, so that our people can focus on dedicating 100% of their efforts towards delivering great work and help us reach greater heights. We also prioritised on having a healthy work-life balance. Our easily approachable management boosts the confidence levels of our employees.

Awards and Recognition

Most cherished moments

The Economic Times- Best BFSI Brand 2019

India's Most Inspirational Leader by White Page India – 2019 (Won by Mr. Rajesh Sharma)

India's Most Admired Financial Service Company by White Page India – 2019

Company of the Year – Zee Business Dare to dream award

Statutory Reports

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

Declining Growth, Uncertain Outlook

The world economy witnessed a mixed Calendar Year (CY) 2019. The global real Gross Domestic Product (GDP) growth in CY 2019 was 2.9% compared with 3.6% in CY 2018, reflecting slow growth in both emerging markets and advanced economies. Higher reciprocal tariffs and an uncertain macro environment led to a broad-based slowdown in manufacturing and global trade. Concerns about future global growth and mixed macro environment led to accommodative monetary policies by global central banks (Source: International Monetary Fund (IMF)).

2.9% CY 2019

World Economic Growth

The global economy started CY 2020 on a strong note with the US-China trade conflicts reaching phase one agreement and the uncertainty around Brexit fading. However, the outbreak of the COVID-19 pandemic, originating from China and spreading across the world, prompted most major countries to impose a lockdown to break the chain of transmission. The containment measures severely impacted economic activities worldwide.

Outlook

While the magnitude of the COVID-19 impact is yet to be ascertained, the IMF forecasts the 'Great Lockdown' to lead to the worst downturn in CY 2020 since the Great Depression, with global GDP likely to fall as much as -4.9%. However, assuming the contagion recedes by second half of 2020, the global economy could witness a sharp recovery of 5.4% in CY 2021. (Source: IMF)

Indian Economy

In 2019, India became a US$ 2.7 Trillion economy, having added one Trillion US dollars in the last five years. The recent Economic Survey of the present government outlined the blueprint to achieve the vision of making India a US$ 5 Trillion economy by 2024-25. Following the path, India's rank in the World Bank's Ease of Doing Business 2020 has consistently improved over last three years and stands at 63, among 190 countries, making it the one of world's top 10 most improved countries for the third consecutive time. Further, the government has set a target to invest worth ₹111 Trillion over 2020-2026 under National Infrastructure Pipeline (NIP). NIP is likely to help provide quality and adequate infrastructure across the nation and boost economic growth.

The Reserve Bank of India (RBI) has undertaken a number of measures to ensure sufficient liquidity in the system since the beginning of FY 2019-20. The policy rate (repo rate) has been cut from 6.25% in the beginning of year to 4% now in ongoing fiscal so far. We also note this time transmission of rate cuts has happened in a large way and helped across all industries and borrowers.

The government collected ₹16.49 Lakh Crore as net tax revenue in FY 2019-20 as against ₹14.84 Lakh Crore collected in FY 2018-19. The direct tax collection stood at ₹11.7 Lakh Crore in FY 2019-20 as against estimated ₹13.4 Lakh Crore in FY 2018-19. For FY 2020-21, the gross direct tax collections are budgeted to increase by 12.7% according to the Union Budget as against 2.9% growth achieved in FY 2018-19. Further, capital expenditure for FY 2020-21 is pegged at ₹4.12 Lakh Crore as against ₹3.49 Lakh Crore incurred in FY 2019-20 and fiscal deficit was targeted at 3.5% in FY 2020-21, which is unlikely to be achieved given the disruption in economy due to the COVID-19 pandemic. The Goods and Service Tax (GST) gross mop up for FY 2019-20 was ₹12.2 Lakh Crore against ₹11.7 Lakh Crore in FY 2018-19, reflecting increase in manufacturing and consumption activity, supported by rate cuts during the fiscal.

The non-food bank credit recorded a growth of 6.7% Y-o-Y to ₹92.11 Lakh Crore in March 2020 as compared to ₹86.33 Lakh Crore in March 2019. The growth was a result of increase in growth of service sector by 7.4% to ₹25.95 Lakh Crore from ₹24.15 Lakh Crore (consisting of NBFC growth of 26% to ₹8.07 Lakh Crore) and personal loan by 15% to ₹25.54 Lakh Crore from ₹22.20 Lakh Crore (including growth in housing by 15.4% to ₹13.39 Lakh Crore). The growth in industry (micro & small, medium and large) was marginal at 0.7% to ₹29.05 Lakh Crore.

The Indian Economy was not immune to the global slowdown and was affected across all four key growth engines of the economy – private consumption, private investment, exports and government consumption and investment faltered to stimulate any growth. The first three have slowed down significantly led by a variety of reasons. Consumption, the biggest contributor of growth was subdued, pointing to fragile consumer sentiment and purchasing ability. Similarly, private investments and exports have remained muted owing to soft demand, global uncertainties around trade and investments and geopolitical tensions. The fourth engine has been moderated because of the limited elbow room the government has for counter-cyclical spending as the budget deficit remains under pressure.

Given the sharp deterioration in economic activities from the beginning of FY 2020-21 and higher risk of steep deterioration in fiscal discipline, India may be exposed to sovereign rating downgrade, which may have wide ramifications on our financial markets.

Given a sharp contraction in domestic economic activities and soft stance of global bankers towards interest rates as to promote consumption activities are likely to keep interest rate scenario benign in India. A sharp fall in oil prices and other commodities are likely to result in softening of inflation rate in subsequent months, which along with a normal monsoon forecast does not warrant a significant rise in the food inflation trajectory. The RBI had changed its stance from neutral to accommodative in its April 2020 monetary policy and a shift in stance is unlikely going forward, given the macroeconomic backdrop.

COVID-19 impact in India

Regarded as one of the largest lockdowns in the history, affecting most businesses in the form of supply disruptions, steep fall in consumption demand, investments, uncertainty for the informal sector and large cash flow gaps for the corporates will significantly affect the overall economy.

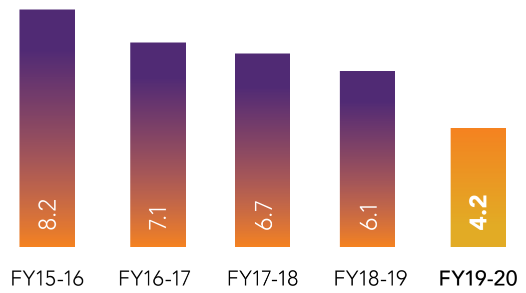
The actual impact still remains a challenge to project, given the uncertainty around the containment measures and ultimate recovery.

Cyclical slowdown, recovery delayed

The Indian economy grew by 4.2% in FY 2019-20, compared to 6.1% in FY 2018-19. The slowdown can be largely attributed to weak domestic consumption, sluggish manufacturing (from 5.7% to 0.9%) and construction activities (from 6.1% to 3.0%). Further, weak fixed investment and muted exports have dampened the sentiments. Despite a series of rate cuts by the RBI, credit offtake remained slow.

India GDP Growth

(%)



(Source: IMA/CSO)

As green shoots of recovery started to become visible, an unexpected COVID-19 pandemic engulfed India too, compelling the government to impose a nationwide lockdown beginning March 24, 2020. This has dashed hope of any early recovery on economy, which will have wider ramification in current fiscal. It brought all business activities, except those related to essential goods and services to standstill and put over 1.3 Billion in suspended animation.

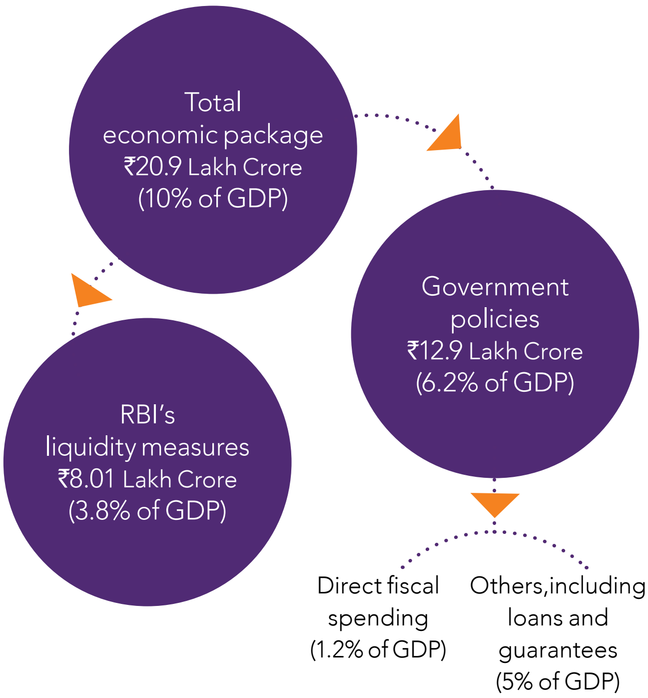
Government announces interim relief; central bank steps in to stabilise economy

The central government announced a special economic package of ₹20.9 Lakh Crore consisting of mix of short-term measures (fiscal and monetary) and reforms to boost long-term economic prospects to overcome the impact of COVID-19 and boost demand. The RBI announced series of liquidity measures to mitigate the COVID-19 impact and stabilise the economy, along with a host of other measures, including interest rate cuts, reduction in Statutory Liquidity Ratio (SLR)/Cash Reserve Ratio (CRR), moratorium on loans, loan provisioning norms, etc.

(Please refer to Industry Overview section for details on RBI measures post COVID-19).

Outlook

As per CRISIL, the Indian economy will see contraction at 5% in FY 2020-21, while non-agricultural GDP is to contract 6%, agriculture could cushion the blow by growing at 2.5%. This is mainly led by steep deterioration in business activities and sharp contraction in consumption trend due to disruption led by COVID-19. A recent KPMG report (April 2020) expects the economic recovery in India to be smoother and faster than other advanced economies to emerge stronger out of the pandemic. On a positive note, Moody's (a global rating company) has forecasted, India's GDP growth rate to bounce back to 6.6% in FY 2021-22. The government's clear focus in current fiscal is to revive demand and consumption to drive economic growth back to normalcy.



INDUSTRY OVERVIEW

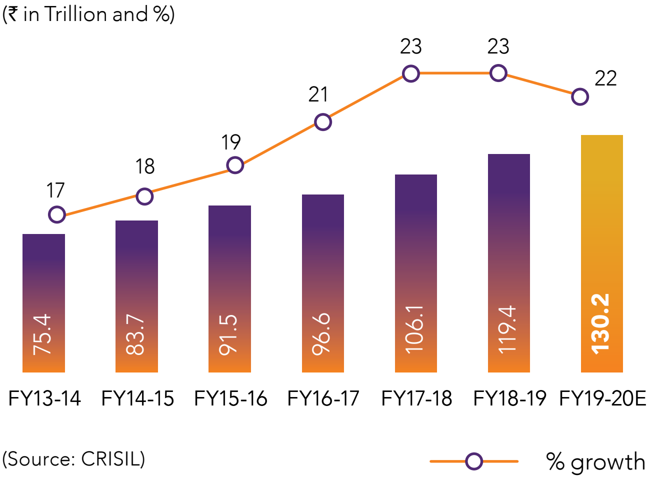
NBFC industry

NBFCs have played a vital role in the financial system over the last decade. They complement as well as compete with banks, bringing in efficiency and diversity in the financial intermediary segment. NBFCs bridge the gap between formal credit channels and those who are denied credit from these channels, i.e., they help financing those individuals (majorly SENPs) and entities (mostly MSMEs) that are unserved or underserved by formal banking channels.

Systemic credit in Indian markets grew from ₹75.4 Trillion in FY 2013-14 to ₹130.2 Trillion in FY 2019-20. The proportion of NBFCs in this growing systemic credit has been consistently expanding from 17% in FY 2013-14 to 22% in FY 2019-20.

Systemic credit and share of NBFCs

(₹ in Trillion and %)



(Source: CRISIL)

The reasons for steady rise in proportion of NBFC credit are the enhanced reach of NBFCs vis-à-vis banks and the flexibility in operations of NBFCs making them more approachable as against banks, especially for the underserved MSMEs and SENPs.

Delving Deeper

The credit growth of NBFCs was slower in FY 2019-20, due to the risk perception for players with higher exposure to wholesale lending, asset-liability mismatches, capital adequacy and perceived corporate governance. This led to a scenario where NBFCs with riskier exposures and ALM mismatches finding it difficult to access capital market over the near to medium term.

According to a CRISIL report on NBFCs (April 2020), the loan book of NBFCs grew at a 3-year CAGR of 13% CAGR from ₹20.1 Lakh Crore in FY 2016-17 (Estimated) to ₹28.7 Lakh Crore (Estimated) in December 2019. As per RBI, the industry received the highest share in credit deployment by NBFCs (56.7%), followed by retail loans (20.2%) and services (14.5%) as on September 30, 2019.

Borrowings of the NBFCs upto September 2019, majorly consisting of bank borrowings grew by 21.2% Y-o-Y to touch ₹6.3 Lakh Crore in 2019-20, whereas other sources grew 16.8% Y-o-Y to ₹7.6 Lakh Crore. Borrowings from public deposits grew by 40.3% to ₹0.5 Lakh Crore.

Securitisation has played a significant role for raising resources effectively for NBFCs. Since September 2018, the securitisation volumes of NBFCs have jumped significantly and continue to remain high for FY 2019-20 as well.

RBI measures to boost NBFCs

The RBI and the government have taken several measures to enhance system liquidity and strengthen the governance and risk management framework of NBFCs, including HFCs:

- Removal of 25% Debenture Redemption Reserve (DRR) requirement
- Relaxation of end-use restrictions on external commercial borrowings from recognised lenders
- Allowance of Partial Credit Enhancements (PCE) to banks for bonds tenured three years and above
- Relaxation of the minimum holding period of loans with original maturities > 5 years to encourage securitising assets
- Allowing co-origination of loans with scheduled commercial banks
- Liquidity coverage ratio maintenance of 50% and 30%, as per the size of AUM
- Interest subvention scheme for NBFC-ND-SI for loans provided to MSMEs to the extent of 2% for all GST registered MSMEs
- One-time restructuring of existing loans to MSMEs

In addition, the RBI undertook a series of initiatives to strengthen the financial services industry, like accommodative monetary policies, reducing the benchmark rates by 115 basis points, CRR exemption for retail loans, externally benchmarking rates, long-term repo operations and operation twist.

Outlook

Since September 2018, NBFCs have faced multiple headwinds, with constrained funding access, coupled with rising borrowing costs and re-calibration of loan-book, which has constrained growth. Typical sharp increase in disbursements seen in March end of a fiscal was confined in FY 2019-20 due to lockdown, growth for FY 2020-21 is now expected to be lower due to curtailed disbursements during initial few months of FY 2020-21 to conserve liquidity.

However, due to the cyclical slowdown, the share of NBFCs is expected to face a slight blip, as it is projected to drop slightly from 23% in FY 2018-19 to 22% in each of FY 2019-20 and FY 2020-21.

- In this extreme challenging environment, NBFC credit growth is expected to be flat in FY 2020-21 after registering growth of ~6 % to ₹29 Trillion (projected) in FY 2019-20
- Home Loans and MSME finance, are better placed as compared to auto finance and wholesale finance segments
- Well-capitalised lenders with balanced ALMs and secured lending are expected to grow, as liquidity and low NPA levels would bring in long-term growth for these players

Special measures by the Government and RBI for COVID-19 impact mitigation

1. Additional policy rate cut by 115 bps to 4%
2. Reverse repo rate cut at 3.35%, to purposefully create an imbalance, encouraging banks to productively disburse for lending purposes
3. Targeted Long-Term Repo Operations (TLTRO) upto ₹1,00,000 Crore
4. Reduction of CRR by 1% for 1-year period to 3%
5. Reduce daily CRR requirement from 90% to 80% till June 26, 2020
6. Increase accommodation under the Marginal Standing Facility (MSF) from 2% to 3% till June 30, 2020
7. Additional measures like permitting all lending institutions to provide a 6-month moratorium for all term loans, deferring interest on working capital facilities and easing working capital financing, were announced to infuse liquidity in the markets
8. On April 17, 2020, the RBI announced another round of TLTRO amounting to ₹50,000 Crore and the banks are required to invest the funds in investment grade bonds, commercial paper, and non-convertible debentures of NBFCs, with at least 50% of the total amount availed going to small and mid-sized NBFCs and Micro Finance Institutions (MFIs)
9. Further, RBI provided a Special Liquidity Facility (SLF) of ₹15,000 Crore to enable it to provide liquidity support to the MSMEs and meet sectoral credit needs.
10. ₹45,000 Crore partial credit guarantee (PCG 2.0) scheme for non-banking financial companies (NBFCs)
11. ₹30,000 Crore special liquidity scheme for NBFCs, housing finance companies (HFCs) and microfinance institutions (MFIs) with full guarantee by the government

(Source: RBI; CRISIL Reports)

MSME Financing

Globally, the Micro, Small and Medium Enterprises (MSMEs) are regarded as engines of equitable economic development. MSMEs is the second largest employment generating segment in India. With low investment requirements, flexibility in operations and the capacity to develop appropriate indigenous technology, these firms have the power to take India to newer heights. They are the backbone of the Indian economy. The MSME sector contributes in a significant way to the growth of the Indian economy with a vast network of ~6.3 Crore units and a share of ~30% in nominal GDP in FY 2016-17. The share of the sector in total manufacturing output was even higher at 45%. Taking cognisance of the wider set of benefits that the sector offers to the rest of the economy, the government has envisioned to increase its contribution to GDP to over 50% in next few years as the country aspires for a US$5 Trillion economy.

As many MSMEs mainly operate in the informal sector, assessing their creditworthiness can be challenging due to information asymmetry, especially with respect to financial performance. Further, many MSMEs are unable to take advantage of most government schemes, which are primarily focused on digital infrastructure and require beneficiaries to have some form of digital presence.

The definition and eligibility of MSME definition has been recently changed to larger base of MSME to extend relief and benefits to the sector.

MSME Categorisation

Nature of activity	Micro enterprises	Small enterprises	Medium enterprises
Manufacturing & Services – Investment	<= 1 Crore	<= 10 Crore	<= 50 Crore
Manufacturing & Services – Turnover	<= 5 Crore	<= 50 Crore	<= 250 Crore

Of the total MSMEs, ~69% are engaged in the services sector (including trade), while the rest are into manufacturing. Together, they generate employment for ~14 Crore people. Additionally, ~51% of the total MSMEs operate in rural areas and account for 45% of the total employment. Micro enterprises account for 97% of the total employment in the MSME sector.

MSMEs by activity

(units in Lakh)

Category	Rural	Urban	Total	Share (%)
Manufacturing	114.14	82.50	196.65	31
Trade	108.71	121.64	230.35	36
Other services	102.03	104.86	206.88	33
All	324.88	309.00	633.88	100

MSMEs by sector

(units in Lakh)

Category	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

(Source: Ministry of MSME)

Significant credit demand from the MSME segment

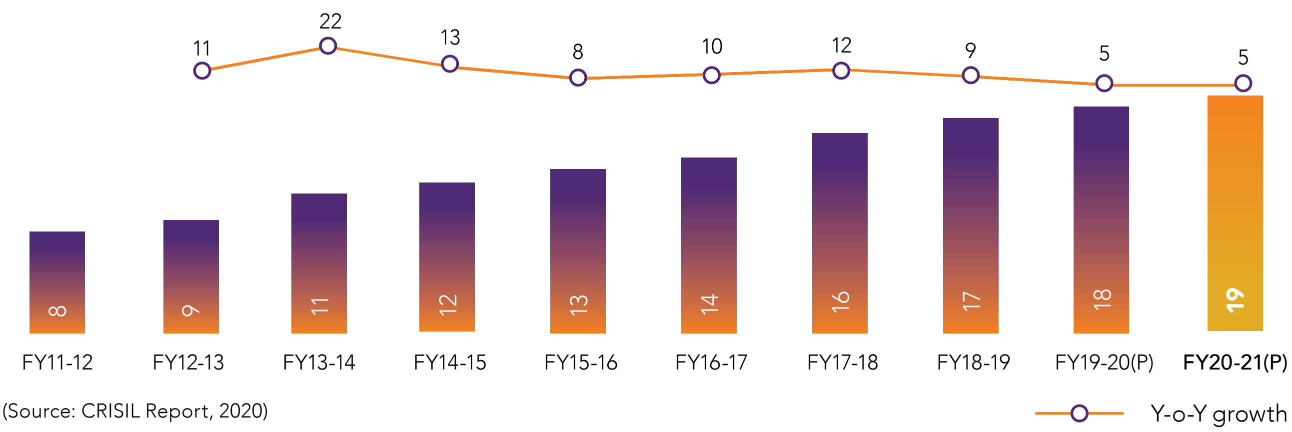
MSMEs' share in India's merchandise exports stood at ~48% in FY 2018-19. This signifies that Indian MSMEs are becoming globally competitive and their products/services are being accepted overseas. This underlines the need to provide special attention to improve the competitiveness and technology upgradation endeavours.

Despite MSMEs' significant contribution to GDP and ability to generate substantial employment opportunities, loans to this segment have grown at a sluggish pace over the past few years. Credit plays a vital role in the development of MSME sector as funds at a reasonable cost can increase their competitiveness.

MSMEs credit demand has grown from ₹8 Trillion in FY 2011-12 to an expected ₹18 Trillion in FY 2019-20, a CAGR of 10.67%. Scheduled commercial banks account for 90% share of total credit outstanding.

MSME Credit Growth

(₹ In Trillion and %)

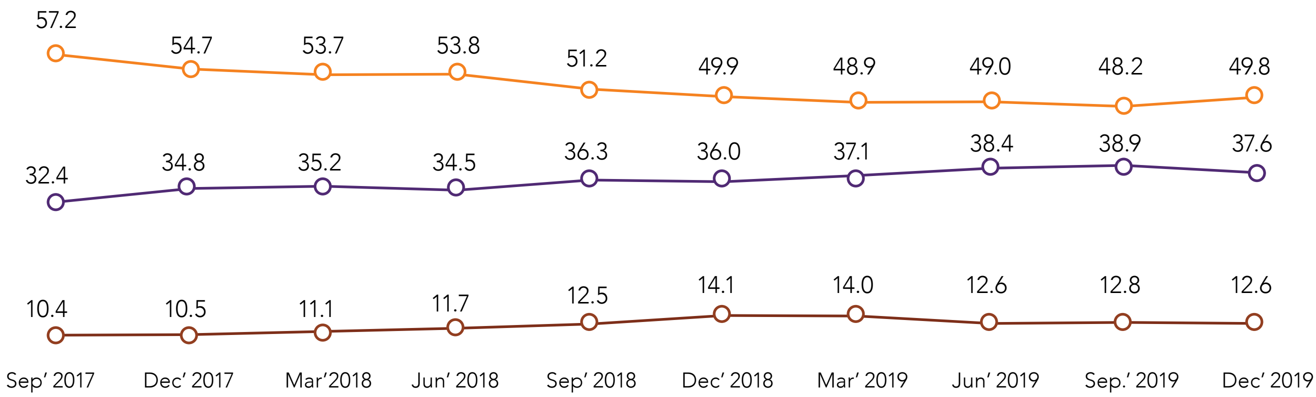


(Source: CRISIL Report, 2020)

The break-up of MSME credit by PSU, Private Banks and NBFCs is 49.8%, 37.6% and 12.6% respectively for December 2019 from 57.2%, 32.4% and 10.4% in September 2017.

Market-share of MSME Credit

(% credit)



(Source: MSME Pulse, TransUnion CIBIL, April 2020)

Analysis of credit gap in MSME space

(₹ in Trillion)

Category	Total
Addressable debt demand	36.7
Share of debt supply	17.8
Credit gap	18.9

(Source: International Finance Corporation, November 2018)

Of the overall addressable debt demand of ₹36.7 Trillion, the formal financing channels account for just ₹17.8 Trillion, leaving significant headroom for increasing penetration in an addressable debt demand of ₹36.7 Trillion. The credit gap here works out to be ₹18.9 Trillion, which presents a sizeable opportunity for NBFCs to thrive.

*(Source: Ministry of MSME, July 2019)

The total on-balance sheet commercial lending exposure in India stood at ₹64.45 Lakh Crore as of January 2020. MSME Segment is at ₹17.75 Lakh Crore credit exposure as of January 2020 and has observed reduction in credit exposure across most sub-segments of MSME lending. Large corporates segment is at ₹46.72 Lakh Crore credit exposure as of January 2020 and has observed a Y-o-Y expansion of 6.3% for the period December, 2018 to December, 2019.

The segment has long been beset with woes owing to lack of capital due to inadequate access to finance, delayed payments from client segments, outdated underwriting process, unfavourable cost-competitiveness, lack of comprehensive quality database, deteriorating asset quality, high working capital requirement, and costly debt from informal sources.

Month	Very Small < ₹ 10 Lakh	Micro 1 ₹ 10-50 Lakh	Micro 2 ₹ 50 Lakh – 1 Crore	Small ₹ 1 – 15 Crore	Medium ₹ 15 – 50 Crore	Large > ₹ 50 Crore	Overall
December' 2017	0.75	1.85	1.26	7.67	4.32	37.16	53.01
March' 2018	0.83	1.97	1.35	8.27	4.56	40.61	57.6
June' 2018	0.84	2	1.37	8.39	4.58	39.27	56.45
September' 2018	0.84	2.05	1.41	8.54	4.65	42.68	60.17
December' 2018	0.89	2.2	1.5	8.91	4.79	43.35	61.63
March' 2019	0.92	2.26	1.55	9.16	4.95	46	64.85
June' 2019	0.89	2.22	1.52	9.04	4.82	46.3	64.8
September' 2019	0.89	2.23	1.52	8.93	4.74	46.74	65.04
December' 2019	0.93	2.15	1.44	8.74	4.68	46.1	64.04
Y-o-Y growth	**4.70%**	**-2.20%**	**-3.60%**	**-1.90%**	**-2.20%**	**6.30%**	**3.90%**
January' 2020	0.88	2.17	1.46	8.72	4.51	46.72	64.45

*(Source: MSME Pulse, TransUnion CIBIL, April 2020)

Considering the importance of MSMEs, the RBI has undertaken various measures to ease the impact of slowdown on this vital engine of growth:

- Collateral free credit to Standard MSME of ₹3 Trillion (20% of outstanding amount as on February 29, 2020 under 100% Credit Guarantee by GoI for period of 4 years (1 year moratorium).
- ₹20,000 Crore subordinate debt for stressed MSMEs
- ₹50,000 Crore equity infusion for MSMEs through funds of funds
- Disallowing global tenders of value up to ₹200 Crore for government procurement to MSME's
- One-time restructuring of MSME loan accounts, without classification as NPAs
- Allowance of 6-month moratorium period on all outstanding term loans
- Deferment of working capital interest for a 6-month period
- Special Liquidity Facility (SLF) to the tune of ₹15,000 Crore to Small Industries Development Bank of India (SIDBI) to provide liquidity support to MSMEs through term loans to NBFCs, banks and other financial institutions, for onward lending. NBFC-ICC with BBB- or higher ratings and in existence for three years would qualify for the term loans

Outlook

The MSMEs are expected to be affected by lockdowns on account of the COVID-19 containment measures. The lockdown is expected to result in high impact on collections as most establishments have faced significant disruptions in businesses. The impact on their cash flows could remain high even after the lockdown is lifted as many of them may grapple not just with how economic activity picks up, but also with business specific supply chain issues and counterparty debtor risk across the value chain. However, given the government support and the agility of this segment, we believe that the pace of recovery in this segment is also going to be faster than anticipated.

According to a CRISIL research report (April 2020), the growth rate of MSME credit for FY 2020-21 is projected at 5% with a credit demand of ₹19 Trillion.

Construction Finance

The real estate sector is the second largest employment generator after agriculture, and the fourth largest by Foreign Direct Investment (FDI) inflows.

Employment in RE sector

40 Million	52 Million	67 Million
2013	2017	2022E

(Source : ANAROCK Research)

The sector experienced a slowdown due to the implementation of structural reforms such as RERA and GST rollout, but these reforms have improved transparency in the sector. This has resulted into surge in private investment in the sector.

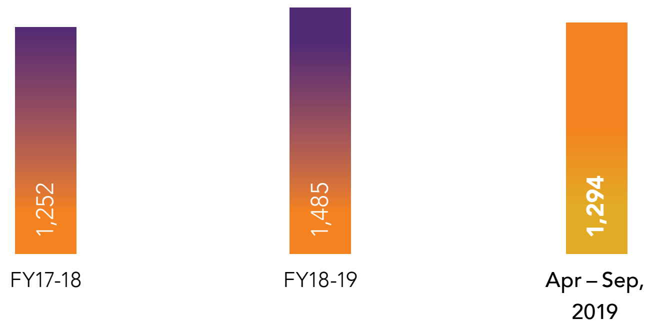
The Central Bank and the government stepped in to boost lending to the sector:

- Infusion of ₹30,000 Crore in HFCs by National Housing Bank (NHB)
- Relaxation of end-use restrictions from recognised lenders
- Alternative Investment Fund (AIF) set up with an investible capital of ₹25,000 Crore by central government to ease liquidity for the real estate players and provide last mile funding for stalled affordable and mid-level projects to support ~1500 projects with 4.58 Lakh units
- Partial Credit Guarantee Scheme (PCG) to boost liquidity of NBFCs
- Permitting banks to purchase 'BBB+' rated assets of NBFCs, relaxing a notch from 'AA' earlier
- Relaxation of threshold limit for enforcement of SARFAESI Act from ₹500 Crore to ₹100 Crore or loan size from ₹1 Crore to ₹50 Lakh
- GST rate is brought down to 5%.
- Government/ Central Bank Measures in COVID-19 pandemic:
  - Extension of registration and completion of real estate projects under Real Estate Regulatory Authority (RERA) for all projects in or after March 2020 for six months and can be extended for three more months if needed.
  - Timeline for availing the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana Urban (PMAY-U) extended by a year till March 31, 2021 for those with an annual income between ₹6-18 Lakh (MIG-I and MIG-II).
  - 6 months moratorium on term loans and deferred interest payment on working capital loans to all borrowers.

Since December 2019, the sector has witnessed positive momentum, as growth returned with a spike in demand for affordable housing. The co-living segment for students and young working professionals gained a lot of traction. Commercial real estate performed exceedingly well, with office space leasing generating good business.

Commercial Real Estate

(₹ in Billion)



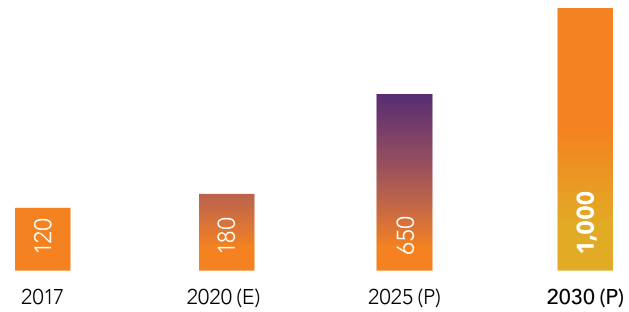
(Source: RBI)

The credit to Commercial Real Estate segment by NBFCs grew 18.6% in FY 2018-19 to ₹1,48,501 Crore from ₹1,25,178 Crore in FY 2017-18. This number grew to ₹1,29,359 Crore by September 2019 according to RBI.

Outlook

Real Estate Market Size

(US$ in Biilion)



E = Estimated, P = Projected

(Source: IBEF, April 2020)

* Graph not to scale

The real estate sector in India is expected to touch US$ 1 Trillion by 2030, from US$ 120 Billion in 2017. As per IBEF, the size of the real estate market is estimated to reach US$ 180 Billion in 2020. By 2025, it will contribute to 13% of country's GDP. Rapid urbanisation bodes well for the sector. The number of Indians living in urban area is expected to reach 525 Million by 2025 up from 461 Million in 2018. Demand for residential space is expected to grow significantly with changing demographics, leading to the rise of Tier-II and Tier-III cities, nuclearisation of families, easy availability of finance options. The commercial space, on the other hand, has its own growth drivers like growth of IT/ ITeS and banking and finance industries, rising Tier-II popularity and steadily increasing demand from MNCs. Emergence of nuclear families, rapid urbanisation, employment opportunities, easy availability of finance, and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail. Rapid urbanisation in the country is pushing the growth of real estate (Source: IBEF).

Total number of houses built under the Pradhan Mantri Awas Yojana (PMAY) reached 69 Million by May 27, 2019. The GoI's Housing for All initiative is expected to bring $ 1.3 Trillion investment in the housing sector by 2025. As of December 2019, under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)], 1.12 Crore houses have been sanctioned in urban areas, creating 1.20 Crore jobs. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector. (Source IBEF)

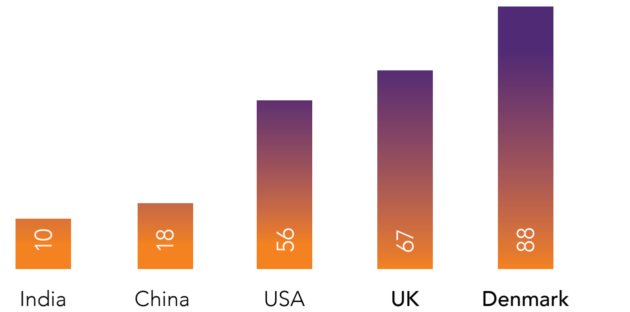
The real estate sector will largely witness muted growth during the FY 2020-21 primarily due to earlier demand slowdown aggravated by effect of COVID-19. However, measures taken by the Central Government may support the real estate sector to overcome the pandemic's effect.

Affordable Housing Finance

India is the world's second most populous nation, with over 1.3 Billion people, over 70% of which encompasses the rural market. There is a huge shortage of housing in rural areas (~ 43.6 Million homes). Similarly, the opportunity in urban areas is of ~18.8 Million homes. Moreover, according to the RBI, India's mortgage penetration hovers ~10%, which presents a huge potential to grow, as compared to other countries. For instance, China's mortgage-to-GDP hovers ~18% and developed nations like U.S.A., the UK and Denmark have a high ratio of 56%, 67% and 88%, respectively.

Global Mortgage-to-GDP ratio

(%)



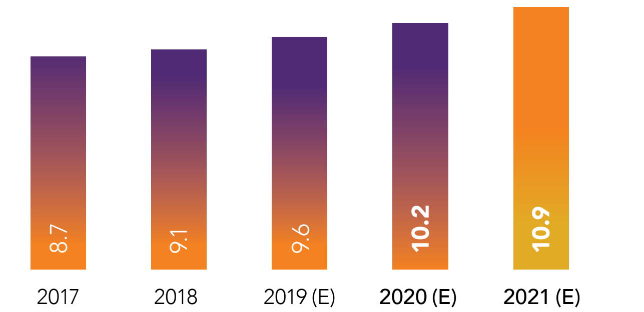
(Source: RBI)

* Graph not to scale

India has however witnessed a steady growth in mortgage-to-GDP ratio from 8.7% in 2017 to 9.6% (estimated) in 2019 and expected to grow to 10.9% (estimated) in 2021.

India Mortgage Penetration Growth
Mortgage-to-GDP Ratio Growth

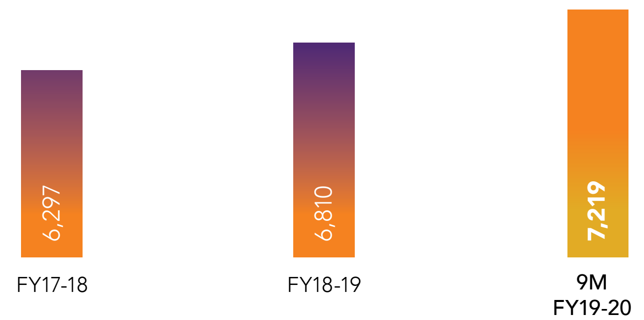
(US$ in Billion)



(Source: RBI, September 2019)

Credit by HFCs (Housing Loans)

(₹ in Billion)



(Source: CRISIL)

The credit deployment for housing loans by HFCs witnessed a growth from ₹6,297 Billion in FY 2017-18 to ₹7,219 Billion in 9M FY 2019-20.

With urbanisation and nuclearisation taking place at a rapid pace, it is expected that by 2030, nearly half of India will be residing in urban areas. Existing cities will have to grow beyond their boundaries and many new cities will come up. The demand for urban affordable housing will grow to 25 Million units (Source: RBI, September 2019; IBEF, December 2019).

The Affordable Housing Finance industry received a much-needed growth impetus from 'Housing for All by 2022' Scheme of the GoI. With its launch in FY 2014-15, the total housing shortage, envisaged to be addressed through the PMAY-U was 20 Million people. In a bid to promote the affordable housing segment, the GoI launched the Credit-Linked Subsidy Scheme (CLSS). Under this scheme, easy institutional credit is provided to Economically Weaker Sections (EWS), Low Income Groups (LIG) and Middle Income Groups (MIG) households for purchase of homes with interest subsidy credited upfront to the borrower's account through primary lending institutions, effectively reducing housing loans and Equated Monthly Installments (EMIs). Finally, in FY 2014-15, the government defined affordable housing loans as eligible under priority sector lending and in FY 2017-18, granted infrastructure status to affordable housing. The sustained support from the government has allowed the affordable housing industry to thrive in India.

According to ICRA, India's mortgage market has been steadily growing at a CAGR of ~15% over the past 8 years. In FY 2018-19 the mortgage market touched ₹19.9 Trillion. Despite the steady growth in the formal mortgage market, India's mortgage to GDP ratio remains lowest amongst the key G20 countries, at just ~10%. Naturally, this has translated into phenomenal growth in affordable housing finance in India. The home loan portfolio of housing finance companies grew at an accelerating pace of 18% Y-o-Y till September 30, 2018. Average loan ticket sizes was around ₹25 Lakh, with more than 80% of the home loan portfolio ranging between ₹10 Lakh - ₹100 Lakh bracket, with better asset quality performance compared to lower and higher ticket sizes.

The growth in housing finance companies' AUMs can be attributed to two key factors: First is the ability of HFCs to tap the massive opportunity in affordable housing, and second is the slower credit growth at banks providing HFCs the room to ramp up faster and continue gaining market share. The ability of HFCs to implement timely collection and recovery efforts in respect of the delinquent loans – repossessing the property wherever necessary and selling the same in a timely manner ensures controlled NPA. Gross nonperforming assets (GNPAs) ratio as on September 30, 2018 was 1.3% (higher than 1.1% as on March 31, 2018).

The GoI has addressed this gap with massive impetus to the housing sector, especially in the affordable housing space with 'Housing for All'. Under this scheme, 60 Million houses are to be built—40 Million in rural areas and 20 Million in urban areas by 2022—creating a holistic demand for the housing industry. In 2018, the National Urban Housing Fund was launched with an outlay of ₹60,000 Crore. Simultaneously, the National Housing Bank (NHB) has introduced stricter norms around capitalisation and borrowing limits for housing finance companies (HFCs). In addition to the existing norms for ECB for affordable housing, the government has announced a ₹10,000 Crore special window to provide last-mile funding for housing projects that are not NPAs or facing bankruptcy proceedings under National Company Law Tribunal (NCLT).

During FY 2014-15 to FY 2018-19, the growth momentum of HFCs sustained on account of government policies on 'Housing for All'. Though the housing market has been affected by stagnant prices and rising inventory levels in residential real estate, yet the rising income level in the economy has partly sustained the demand for housing. However, in the FY 2018-19, the HFCs witnessed moderation in growth on account of liquidity squeeze and the consequent securitisation of their retail assets.

According to a CRISIL report for September 2019, the outstanding balances on low cost home loans have grown from ₹154 Billion (estimated) in FY 2014-15 to ₹517 Billion (estimated) in FY 2018-19.

Home loan metrics

Particulars	Q3 FY20	Change YoY (%)
Outstanding balance (₹in Billion)	19073	10.0
Number of accounts (in Billion)	14.20	3.8
Account-level delinquency rate (90+ DPD)	3.36%	-7 (bps)

(Source: CIBIL)

Home loan balances grew 10% in Q3 FY20, compared with 20.3% in Q3FY19. Balance growth slowed down for housing finance companies to 7.9% from 23.2% a year earlier.

Outlook

NBFC players focused on low cost housing finance are expected to witness a CAGR of 8-9% from ₹517 Billion (Estimated) in FY 2018-19 to ~₹600 Billion in FY 2021-22 (Source: CRISIL).

According to consulting firm FSG, low-income housing finance is expected to grow at 30-40% over the next five years. Two-thirds of India's population is below 35 years of age with the average age of a first-time homebuyer in India is ~37-38 years. Thus, over the long term, structural demand for housing in India will always remain strong. The growth will be driven by housing shortage in the affordable segment, regulatory facilitation, entry of many HFCs with sharp focus on the affordable segment, among other factors.

BUSINESS OVERVIEW

Strategic Review

CGCL is focused on serving the underserved segments, with its funding solutions, to make a positive impact. Our mission is to empower individuals and entrepreneurs to transform their aspirations into achievements. FY 2019-20 has been of strategic importance for us, as we achieved our highest after-tax profits, despite the market experiencing a slowdown. We credit our relentless focus and our agile strategy for this growth. CGCL has maintained a cautious stance on disbursements in FY 2019-20 and as conscious strategy has put a pause to grow in both the Construction Finance (CF) and Indirect Retail Lending (IRL) book, while expanding the retail book both in MSME and Home Loan segments from FY 2018-19 levels. Despite the marginal de-growth in the overall loan book, we have improved our spreads and NIMs resulting in better profitability during FY 2019-20.

During the year, CGCL focused on improving operating efficiencies of the organisation through successful implementation of hub & spoke model, which assisted in tapping underserved markets in cost-efficient manner. Further, the Company optimised and realigned branch network that drove efficiency improvement during the year, which substantially reduced cost to income ratio to 38% in FY 2019-20 from levels of 47% in FY 2018-19.

The Financial Services sector has been facing challenges since September 2018 primarily due to liquidity constraints. However, CGCL's focus on expanding retail book and prudent lending practices enabled us to add new customers in MSME and Home Loan segments. The Company added new bank lines of ~₹2,05,000 Lakh in FY 2019-20; and have a comfortable liquidity position of ~₹43,500 Lakh and additional undrawn credit lines of ₹60,500 Lakh at end of FY 2019-20, which supports CGCL for its future growth and meeting its operational and borrowing obligations.

The Company continue to focus on being there for its employees, customers, clients, and communities in what is an unprecedented and uncertain environment due to COVID-19 pandemic. CGCL's business strategy continued to be focused on Tier III and IV cities, building granular portfolios and having cautious and multi-layered credit approach and adequate collateral-based lending. This put us in good position to consolidate the market share in our focus areas, going forward while maintaining its asset quality.

OPERATIONAL REVIEW

Financial Review

Performance Highlights						(₹ in Lakh)
	Standalone			Consolidated		
Particulars	FY 2019-20	FY 2018-19	Growth %	FY 2019-20	FY 2018-19	Growth %
Total Revenue	58,216	50,409	15.49	71,950	59,130	21.68
Total Expenses	39,255	32,672	20.15	49,752	40,461	22.96
Profit Before Tax	18,962	17,738	6.90	22,198	18,669	18.90
Profit After Tax	13,572	12,868	5.48	16,123	13,566	18.85
Assets Under Management (AUM)	3,13,700	3,31,057	-5.24	4,03,500	4,10,322	-1.66
Earnings per share (₹)	7.75	7.35		9.21	7.75	
Net Worth	1,48,262	1,35,147	9.70	1,53,918	1,38,268	11.32
Net Interest Income (NII)	32,750	29,301	11.77	38,720	32,364	19.64
Net Interest Margin (%)	10.20	9.89		9.50	9.30	
Interest Coverage Ratio	2.07	2.13		1.95	1.99	
Debt Equity Ratio	1.39	1.55		1.84	2.00	
ROA (%)	3.80	4.07		3.70	3.74	
ROE (%)	9.58	9.98		11.04	10.31	
GNPA (%)	2.69	1.69		2.36	1.47	
NNPA (%)	0.90	0.62		0.79	0.53	
Book Value per share (₹)	84.66	77.17		87.89	78.95	

The Standalone Gross Income of the Company has registered a growth of 15.49% at ₹58,216.15 Lakh for FY 2019-20 as against ₹50,409.30 Lakh in FY 2018-19. Net Profit grew by 5.5% at ₹13,572.49 Lakh for the FY 2019-20 as compared to the Net Profit of ₹12,867.83 Lakh in the FY 2018-19 due to better realisations, cost optimisation and better operational controls. The GNPA of the Company stood at 2.69% and the Net NPA was at 0.90% as on March 31, 2020, which is well below the industry averages.

The Consolidated Gross Income of the Company for the FY 2019-20 was ₹71,950.32 Lakh vis-à-vis ₹59,129.94 Lakh in FY 2018-19, a growth of 21.68%. Consolidated Net Profit for the FY 2019-20 was ₹16,123.38 Lakh, as compared to ₹13,566.30 Lakh in FY 2018-19, registering an increase of 18.85% due to better realisations, cost optimisation and better operational controls. Due to seasoning of portfolios and muted AUM growth, the GNPA of the Company stood at 2.36% and the Net NPA was at 0.79% as on March 31, 2020, which is lower than industry averages. However, the entire portfolio if fully secured (1.25-2.5 times of loan amount) by way of collaterals in the form of residential/commercial/industrial property of the borrowers which may result into lower credit cost to CGCL.

The networth of the Company has increased on account of profit for the FY 2019-20.

Based on the current indicators of COVID-19 pandemic and future economic conditions, the Company has made additional provision for expected credit loss on financial assets as on March 31, 2020 assessing credit and other related risks.

Liquidity Position and Borrowings

The Company has comfortable liquidity cushion in terms of cash and bank balances and liquid investments in mutual funds of ₹5,457.28 Lakh and ₹24,545.20 Lakh, respectively, besides having un-availed bank limits of ₹40,542 Lakh as at end of FY 2019-20. The Company has Debt Service Coverage Ratio (DSCR) of 1.75 and Interest Service Coverage ratio 2.07. The Company is well positioned in meeting its short and medium-term obligations. The Company has a positive asset liability position in all buckets of < 1 year, 1-5 years and > 5 years. The Company's CRAR at 38% is strong and is adequately capitalised.

The Company has strengthened its relationships with banks and FIs and got an additional sanction of ₹1,47,000 Lakh during FY 2019-20. As on March 31, 2020, borrowings from public sector banks, private sector banks and FIs in term loans (tenure of 5-8 years)/ Cash Credit (CC) limits were ₹1,91,220 Lakh as against ₹2,04,192 Lakh in FY 2018-19. The Company has raised ₹15,000 Lakh during the FY 2019-20 through Secured Redeemable Non-Convertible Debentures through Private Placement for a period of 10 years. The gearing of the Company as on March 31, 2020 is 1.41 times. The Company has Nil exposure to Commercial papers.

Product Analysis

The Company had continued with the strategy of going granular and focused on sourcing small ticket size loans in all its verticals, spread over wider geographical area resulting into de-risking the loan portfolio, better control over delinquencies and better risk spread in the medium to long term.

MSME Financing

This segment continues to be CGCL's key growth driver, contributing more than 50% to the total loan book of the Company. CGCL expanded to 85 locations in FY 2019-20, from 84 locations last year. Company has expanded to Tier II and III cities in Gujarat, Rajasthan, Madhya Pradesh, etc. The Company has strengthened its retail business vertical and MSME loan book has grown by 3.86% to ₹2,04,663 Lakh with 12,578 customers (previous year ₹1,97,090 Lakh with 11,051 customers). During FY 2019-20, revenues from MSME was ₹35,381 Lakh, up 20% with average yield of 16.68%. The loan book is adequately secured with collateral in form of self-occupied residential or industrial or commercial property with an LTV of ~48%.

All the incremental loans sanctioned in FY 2019-20, were sourced directly by the Company. This allows the Company and maintain a stricter risk mitigation framework and easier post-sanction monitoring of loans. CGCL has been moving towards a granular loan book and has reduced its average ticket size of loans to ~₹16 Lakh. The Company's GNPA is 4.04% lower than the industry average in this sector.

Outlook

CGCL has a two-pronged approach to sustainable AUM growth in the MSME space: increasing productivity per head of its existing sales personnel and branch expansion. Regular training sessions are underway to increase productivity of sales personnel while maintaining a good quality asset book. The Company is also in the process of expanding its branch network to other Tier II and III cities in India.

Construction Finance

This segment witnessed mixed trends during FY 2019-20. The first half witnessed bulk credit drying up rapidly as major NBFC players were either out of business or under severe pressure and ceased to lend to the high-risk real estate sector. We adopted a cautious stance and slowed our sanction of new originations during this period. This move, however, did not affect our existing customers, thereby not impacting the status of the already-funded projects.

The second half of the financial year witnessed a more conducive market scenario, with aggressive home loan lending by Public Sector Undertakings (PSUs). In addition, several measures by the RBI and the government began showing traction. There were green shoots in the NBFC and real estate sector. Besides the commercial segment, the signs of recovery were also visible in the affordable and mid-level housing segments. During this period, we focused on minimum risk projects with clearly visible cash flows and adequate cover, majorly from the Tier-I markets. Further, we also funded top-up or new loan requests from existing or prospects with good track record.

CGCL's approach towards construction finance is based on a retail model, and this has allowed our construction finance AUM at ₹96,190 Lakh with 134 customers (previous year ₹1,20,090

Lakh with 146 customers) due to cautious approach taken by company on wholesale lending in construction finance. During FY 2019-20, our revenues from the segment was ₹20,842 Lakh (previous year ₹19,206 Lakh), up 9% with an average yield of 18.44%. The Company has maintained lowest in-industry GNPAs at 0.17%. This has been made possible by our strict lending parameters, through which we only finance developers in the affordable housing segment, with a preference given Tier II and III cities exhibiting high employment rates. Accordingly, CGCL's construction finance business is focused on 11 cities in India. To ensure prudent risk mitigation, the Company's strategy is to reach to a larger number of accounts while reducing the average ticket sizes. Ticket size in construction finance in FY 2019-20 stood at ₹702 Lakh as compared to ₹822 Lakh in FY 2018-19.

Outlook

With the real estate market gradually making a comeback in India, affordable housing is a front-liner. CGCL will expand its outreach within this segment to capture a larger number of developers in its existing market, while at the same time expanding its presence to newer cities in India. This segment will continue to contribute ~20-25% of the Company's consolidated loan book.

Housing Finance

The segment witnessed a similar trend as the broader NBFC sector. However, the impact was moderated with the affordable housing sector and incentives of government policies, especially the PMAY scheme, which acted as a major relief for the clients to buy homes in times of grim market sentiment. In the prevailing macro environment, we opted for a cautious approach on the liquidity issues and focused on profitability, as opposed to volume-based growth. We see huge growth potential in this segment, due to the influx of government incentives in this vital area to achieve its target of 'Housing for All' by 2022. Though our target customer segment—the SENPs—is common across all the markets we operate in, we maintain an agile approach and offer customised solutions that are localised and suitable to each market. This flexible, customised and agile approach is what makes us the preferred choice of our customers. Our major business growth comes from Tier III and Tier IV cities.

CGCL, has been gradually expanding its reach within the affordable housing segment through its subsidiary, since the launch of this vertical in 2016. Branch network within this segment was expanded to 78 locations and the Company is using its existing MSME segment expertise to source. Keeping in line with the industry averages, GNPA in the housing finance space remains contained at 1.21% due to CGCL's strict risk mitigation framework and prudent post-sanction monitoring of loans. The Company only lends to the affordable housing segment and to the customers applying for self-stay. Average ticket size in this segment stood at ₹10 Lakh for FY 2020 and average yield of 14%. The Company continues to maintain a LTV of ~59% on the housing finance book.

Home loan segment has shown an impressive growth of 13.30% at ₹89,825 Lakh during the FY 2019-20 as against ₹79,270 Lakh in FY 2018-19, and increasing its reach to 10,207 customers from 8,637 customers in previous year. Total income increased by 56.89% to ₹13,946.96 Lakh in FY 2019-20 as against ₹8,889.58 Lakh in FY 2018-19.

Outlook

CGCL's housing finance business will be a key growth driver for the Company in the coming years. With the operating leverage kicking in, productivity of sales personnel will increase significantly and the cost will be kept under control. While the Company is focussed on expansion of branch network to new geographies as well, the Company ensures to maintain a strong quality book.

Indirect Retail Lending (IRL)

CGCL forayed into indirect lending i.e. lending to small NBFC companies in FY 2018-19. This portfolio is 100% self-originated. The lending is primarily to NBFCs with net worth of over ₹5,000 Lakh and AUM of ₹10,000-15,000 Lakh. The Company follows strict lending parameters and an in-depth analysis of the borrower's profile. The loans are fully secured through hypothecation of receivables and/or personal guarantee of promoters/corporate guarantee of the holding company. Some of our customers in this segment are fintech-based NBFCs, SMEs and Auto-finance companies, who either have a BBB credit rating or are unrated with strong credentials with at least a 2-3 year old portfolio. CGCL is never the first lender to this category of borrowers.

Indirect Lending segment is ~3.17% of total loan book at ₹12,781 Lakh with 9 customers in FY 2019-20 as against ₹13,900 Lakh having 7 customers in FY 2018-19. During FY 2019-20, revenues from this segment was ₹813 Lakh, up 22% and portfolio yield is 15.52%.

Outlook

CGCL's IRL business will be remain in similar range of 2-5% and will be very selective in building customer portfolio. It will remain risk free with strict lending parameters. The Company ensures to maintain a strong quality book adhering to policy guidelines.

Opportunities

The macro economic developments in India and rest of the world detailed earlier in augur well for the development of financial sector in India as well for CGCL and offer immense opportunities in FY 2020-21 and beyond as under:

- In MSME, there is huge potential to grow as the credit requirement GAP of ₹25.9 Trillion exists in the segment.
- Growth in the affordable housing sector, Government push for affordable housing and "Housing for All by 2022" augurs well for the Company where Company already having a strong foothold in lending to affordable housing sector and a wide network of branches in North and West India that gives an edge over the other NBFCs
- Strong liquidity position and availability of un-availed banking limits and proposed credit lines available under TLTRO/additional funds from banks under bonds and other securities for NBFCs having credit ratings of AA and below

gives an edge in growth in retail sectors where Company already have presence.

- Credit Guarantee from GoI for additional credit to existing MSME customers to an extent of 20% of existing loan as on February 29, 2020 will improve asset quality and growth for FY 2020-21.

Challenges

While the opportunities landscape is promising, following could dampen the growth in NBFC sector in India

COVID-19 Impact and its implications

The COVID-19 pandemic is constantly evolving, rendering it difficult to predict or model its implications. There are several initiatives being announced by various agencies to contain the economic fallout of it. The measures from various government agencies and the RBI have provided some relief. However, the duration, spread and intensity of the pandemic will determine the adequacy of these measures and any need for further fiscal /monetary stimulus.

The extent of this impact on asset quality and collections for NBFCs will vary and depend on factors such as asset class, income source of the customer, level of field work in operations and proportions of cash collections. Additionally, NBFCs could seriously suffer with any changes in borrowers' repayment behaviour on account of the moratorium; cash flow losses to retail borrowers beyond the moratorium period due to the pandemic and its challenges on the economic front.

What will also be important is government spending and pickup in economic activity. Moreover, the credit profiles will be back to being driven by fundamentals, as opposed to relief measures. Steady economic recovery, bounce back in demand and normalisation of working capital cycles are key for recovery in credit quality and different sectors will see varied levels of resilience to the business impact of the pandemic in the months ahead.

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products

Human Resources

We at CGCL value our relationship with all our employees and ensure that each of our team members feel connected with us and share the broader vision of making a positive social impact by bridging the credit gap.

Our people's team, guided by the top management, relentlessly undertakes various people-centric activities to keep all our employees engaged and provide them with suitable opportunities.

FY 2019-20 witnessed many changes in the global economy and to adapt to the changing environment, the Company has made rigorous efforts. The Company has also ensured that the employees' skills are uplifted so that employees can handle challenges while staying abreast with the functional domain knowledge of the non-banking financial services industry. We strongly believe that employees are able to contribute more only when there is a healthy work-life balance. We understand and value the efforts of our employees, hence to engage their families, we had invited the employees' families to our offices, which provided us with an opportunity to engage better with our employees and also helped us to build a strong relationship with our employees. We believe that growth of the Company is not only a contribution made by its employee alone, but a joint effort made by their families as well. We have taken initiative to thanks our employees' families for contributing towards the growth of the Company. Employee recognition has always been an essential element for the Company in motivating, retaining and fully engaging the employees which leads to achieving the organisational goals and in turns helps to create a positive environment at workplace. The Company has quarterly as well as yearly rewards for exceptional performers and our performance appraisal systems have been designed to recognise and reward exceptional performers. There are contests for employees to boost up their performance with rewarding them. Employees who have completed 5 years and 10 years have been recognised for their loyalty in their services.

CGCL also focuses on providing opportunities to each employee to grow and utilise their complete potential. Some key focus areas in FY 2019-20 were:

Recruitment

There is nothing as powerful as the unanimous voice of a brand which lies in the collective strength of its employees, who at CGCL work as the brand ambassadors. CGCL has 1,690+ employees with a large spread of their own social and professional network, further growing the CGCLs network of influence. With the employees trust in the brand, we are able to attract and retain talent.

The most important detail we look at is the quality-of-hire. A referred candidate is a preferred candidate because of their well-proven performance track record. A successful referral assures an employee about their prospects with the future company they are applying for, and not only do they tend to stay longer after the referral, but they are more engaged as well. It's the most cost-effective method of hiring a strong candidate. Not to forget that referral systems save a lot of time in onboarding formalities.

The real key of getting a lot of referrals is the unique culture at CGCL, which has built faith and a homely vibe with our employees. The trend is showing an increase from 62% to 90% in employee reference for the year 2020.

Training and Development

Employees decide the narrative of a brand. The ones running our business goals are the most valuable asset to our organisation. During FY 2019-20, we invested in continuous learning and competency development for our human capital. Training being an ongoing process at CGCL, our training team has been instrumental in creating a culture of learning throughout the year. We have incessantly invested in developing the talent onboard, so that they enhance functional and behavioural competency. We aim to develop a disciplined constructive environment in which all employees understand their responsibilities to undertake higher roles in the growth journey of CGCL. During FY 2019-20, we have engaged 4,196 participants with 8,624 manhours were spent in 569 training sessions through internal and external sources.

We are working on various aspects of the training sessions emphasising on a blend of on-job training, which is a highly scalable platform, exposing our employees to upgrade their technical, regional and professional skills. We ensure that the employees are educated on our organisation's internal policies and external regulations at regular intervals. The regional policies pertaining to specific region is being lectured by our regional leaders, which is further preached to our business and frontline team. The key focus areas this year was to strengthen the knowledge base of our frontline business and credit team and promote sharing of ideal practices in the region. This was achieved through interactive classroom-based sessions conducted in each region for our branch manager and above employees. These sessions covered functional topics like product, fraud control, legal and technical valuations through interactive formats of role plays and quizzes. It was also crucial to focus on our credit executives and front-line sales employees for whom customised modules were developed this year. The goal of this learning is to bring employees to a classroom for collaboration and networking, thereby offering thoroughly engaged training session.

The training programmes are synchronised in a way to strengthen the skillset of employees. We have collaboration with few trainers. The competency development of our employees continues to be a key area of strategic focus for us. Several trainings have been planned and organised by various external agencies, offering certification programmes on Compliance, Law, Anti-Money Laundering (AML), Know Your Customer (KYC), Prevention of Sexual Harassment (POSH) and other elements related to our industry practises.

Being in an era of digitalisation and e-learning, we are looking forward to enhance our technology-led training efforts in multiple areas. We plan to take mobile platform to make learning content available to employees to access anywhere, from their mobile devices at any time convenient to them. Through the mobile app our learning programme would be accessible across geographies, which would lead to enhanced employees' participation in learning. The objective of these app-based modules is to enhance their knowledge on Company's products and policies so that they were well equipped while dealing with customers.

Employee Engagement Initiatives

The Company believes that engagement relates to the level of an employee's commitment and connection with the organisation. Employee engagement has emerged as a critical drive of business success in today's competitive marketplace. High level of engagement promotes retention of talent, foster customer loyalty and improves organisational performance. Our focus lies in nurturing our talent and recognising their efforts contributing towards meeting the organisational goal. Employees are giving opportunities to take up challenging role, this helps us to keep employees engaged and reduce boredom.

We have also engaged employees in cultural and festive activities. During FY 2019-20, we witnessed an array of engagement activities on occasions like Diwali, Independence Day, Navratri, Holi, World Food Day, Christmas Celebration and Women's Day. Navratri week was marked with the Garba dance across the branches and celebrating each day with the "Color of the Day". To salute the efforts of each woman working with CGCL we celebrated International Women's Day across the branches where female staff were gifted a personalised diary to pen down their thoughts. To inculcate the spirit of sharing and caring with co-workers, CGCL celebrated World Food Day where potluck was organised and employees were asked to get homemade food and share with the colleagues. This helped them to connect more with their colleagues. Diwali was witnessed with arrays of fun filled games which inculcated team spirit among all.

Fine balance between People and Technology

While the advancement in HR technology is accelerating, the ongoing pace of progress of these technologies is transforming how people carry out their work, and how HR supports their employees. Technology makes it easier to gather and break down data on employees to get an overall picture. A collaboration between people and technology has become an essence in today's world and it becomes important at building a collaborative workforce by bringing people and technology in one frame. Collaboration has always been known that it can make things work more effectively. We at CGCL, with the help of our inhouse technology team, we have evolved our HR process which, has reduced our manual intervention and has automated our routine administrative tasks. This has helped us to focus on strategic aspects of HR functions. In order to facilitate the process, we adopted tools like self-service employee portals, onboarding, exits, performance reviews and an interface is created for prospective candidates to complete their process during the offer stage. With the help of technology our data management is simplified, and the data is available with a click of a button. Technology has further enabled us to gather, collect, and deliver information, as well as communicate with employees more easily and efficiently.

Gender equality among organisation

In today's dynamic business environment, achieving gender equality is a key agenda for competitiveness and growth of any organisation. Our focus is on creating an inclusive and dynamic enterprise and we ensure that everyone receives an equal opportunity to succeed at CGCL. Gender equality at the workplace refers to a variety of cultural practices and attitude that promotes a gender-equal workplace. At CGCL, we ensure that equal opportunity is given to all employees without gender discrimination. It also includes providing equal chances of promotion, pay-rises, and inclusion in decision-making process. We also prioritised on work-life balance, strict and effective policies are created against harassment at workplace. An open-minded culture is created which gives the employees an opportunity to exchange ideas and nurture their career in the organisation, which leads to long-term success for the organisation as well as the employees.

We, at CGCL, value our relationship with all our employees and ensure that each of our team members feel connected with us and share the broader vision of making a positive social impact by bridging the credit gap.

We had a talent pool of 1,699 committed employees as on March 31, 2020. During the year, we recruited 1,040 new team members, 66 among, which were female to enhance the gender diversity.

Our people team, guided by the top management, relentlessly undertakes various people-centric activities to keep all our employees engaged and provide them with suitable opportunities.

Highlights

- CGCL has a young and dynamic workforce with an average age of 32 years
- Employee referral percentage has increased from 62% in FY 2018-19 to 90% at the closing of the FY 2019-20
- Attrition in the FY 2019-20 stands at 16.1% much below the industrial levels

Information Technology

At CGCL, we have always adopted cutting-edge technology to realise our mission of empowering India financially. During FY 2019-20, we continued to leverage digital channels and high-end technology to grow more profitably, while keeping a tab on the risk management framework.

Some of our core initiatives in enhancing our information technology capabilities include:

- **Data Analytics**
  The Company mined extensive data with the objective of deriving a deeper understanding of market realities. Credit Information Companies (CICs) are a great source of data for acquiring market insights as well as understanding customer behaviour and preferences for meeting their financial needs. The loan origination, credit appraisal, sanction and disbursement are done using the high-tech customised software Loan Origination System (LOS) & Loan Management System (LMS) - Indus. The reports generated from the system are then analysed. Accounting is implemented in SAP (HANA) basic.

- **Digitisation**
  The Company has invested in cutting-edge digital technologies by integrating real-time technology with the objective of increasing technology-driven sourcing and decision-making for loan applications, moderating operating expenditure, ensuring data security and making other business-strengthening interventions.

  At CGCL, we have always made it a point to deploy state-of-the-art digital infrastructure, which will support new loan acquisition while keeping the Company's costs under control. During FY 2019-20, the Company continued to harness technology to develop a faster, safer and better risk mitigation framework.

RISK MANAGEMENT

Being in the lending business, risk management forms a vital element of our business. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks.

The Company has a Risk Management Committee (RMC) and an Asset Liability Management (ALM) Policy approved by the Board. The Board has constituted the Asset Liability Committee (ALCO) to assess the risk arising out of the liquidity gap and interest rate sensitivity.

During the year, the RMC reviewed the risk associated with the business, its root cause and the efficacy of the measures taken to mitigate the same. ALCO also reviewed the risks arising from the liquidity gap and interest rate sensitivity and took decisions to mitigate the risk by ensuring adequate liquidity through the maturity profile of the Company's assets and liabilities.

Steps to strengthen the risk management: Safe lending

Credit assessment of a customer's profile is an important precursor to safe lending. The right selection of customers ensures better asset quality and higher profitability. To strengthen our customer onboarding process, the Company has taken initiatives that include:

- Deeply engaging with CICs to access proven data, strengthening customer mapping
- Regular learning and development programmes to impart functional trainings at branch, regional and national levels
- Make the onboarding process stronger by segregation of duties and stronger maker and checker approach
- Introduced legal and technical vetting at regional level
- Implementing a process of dual property visit by technical team and credit team, ensuring the right selection of assets for financing

Major risks and their mitigation measures:

Credit risk

The most common risk faced by any lending institution is the inability on the part of the borrower to repay the loan.

The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy.

This is followed by a thorough assessment of the potential customers' soundness of business and long-term viability by analysing cash flows.

Mitigation measure

CGCL has stipulated prudent lending policies for each business vertical, considering the risk involved with different products and customer profiles. The Company has designed a robust and dynamic credit appraisal system to minimise the probability of default. Its credit appraisal system conducts customer meetings (business and residence) and field investigations, credit information bureaus checks, in-house technical and legal verification, adequate loan to value ratio and term cover for insurance. There is thorough reference checks of the borrower's overall goodwill and integrity in the market. This is followed by a thorough business assessment and long-term viability by analysing cash flows of the potential customers.

All loans are fully secured by way of mortgages and CGCL has first and exclusive charge on collateral properties.

Company has put in place an inhouse Fraud Control Unit, having expert knowledge in fraud detection and forensic analysis of documents, as to detect and eliminate potential frauds being committed on CGCL.

Operational risk

Operational risk is the risk of possible losses, arising due to lack of proper flow and inadequate controls over the internal processes, people, systems and operations of CGCL.

Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability.

Mitigation measure

CGCL has a state-of-the-art technology-driven process flow and operational control system and a responsive customer portal for enhanced efficiency and deeper engagement with the customers. The Company's internal control infrastructure is well-aligned with its underwriting and collection processes, which are managed by a highly competent and trained team.

Liquidity risk

Liquidity risks emanate from the gaps in financing activity.

A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.

Mitigation measure

CGCL has dedicated treasury team to manage liquidity and monitor fund availability and deployment on daily basis. Reports are submitted to ALCO members, and are used to make relevant liquidity forecasts on quarterly basis for the next 6 months. Company's has exposure to all long-term funds with repayment tenure of 5-10 years and are sourced from banks and FIs. There is nil exposure to commercial papers. CGCL's is in a strong position to mobilise funds for its growth having higher CRAR of 38%.

Portfolio concentration risk

This category of risk is associated with the concentration of credit in a particular segment of borrowers, products or geography.

Skewed exposure in one particular sector and geographical concentration may result in losses if the sector or geography does not do well. It affects the quality of the asset-book and assessment by financing institutions.

Mitigation measure

CGCL key competitive advantage lies in our ability to build a de-risked portfolio with exposure to multiple sectors, wider geographies, varied customer profiles and lower ticket size loans.

The MSME segment, with its high untapped potential and lower risk continues to be the largest contributor to CGCL's total portfolio followed by Construction Finance, Home Loans and Indirect Retail Lending. Each lending segment has varied customer profiles and focus on smaller ticket sizes coupled with a large customer base and fair distribution of geographical risk. The Company's new expansion plan envisages the risks involved vis-à-vis new business opportunities while selecting a potential location for expansion.

Strategic and business risk

It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions.

Lack of timely response to such unforeseen conditions can lead to major tremors in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of available spreads, slow-down in certain customer segments are some of the potential business risks faced by CGCL.

Mitigation measure

CGCL's strategy, business and risk teams keep a track of key economic trends, sector developments and market competition, which allows us to take well-informed and in-time strategic decisions. CGCL's customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. Business issues which are of strategic importance are referred to the Board members, who are experts with rich experience in their respective fields. Intense brainstorming sessions are conducted to evaluate and design the relevant strategies, which help us in tackling the business uncertainties and circumventing business disruptions.

Interest rate risk

Volatility in interest rates can have a negative impact on the borrowing costs of CGCL, decline in interest income and net interest margins. This can cause a mismatch on the Company's asset–liability position and could lead to lower profitability and lower returns.

Mitigation measure

Interest rate movements are tracked and reviewed by ALCO on a quarterly basis and the allowing base lending rate i.e. Long-Term Rate of Return (LTRR) is fixed. Most of our portfolio is built on floating interest rates. Interest rates are primarily market driven and CGCL's interest risk strategy is well adept at managing the changing market dynamics.

Regulatory and Compliance risk

CGCL is a systematically important non-deposit taking NBFC, under the regulatory supervision of the RBI. Being a listed entity, CGCL is required to comply with regulations, directions issued by Securities & Exchange Board of India (SEBI).

Non-compliance of the rules, regulations and statutes leads to stringent actions and penalties from the Regulator or Statutory Authorities.

Mitigation measure

CGCL has a separate compliance department, headed by a Senior Personnel. The Company keeps itself abreast with all recent developments and changes in the regulatory framework/guidelines to ensure a timely, effective and proper implementation and compliance. CGCL diligently complies with Capital Adequacy Norms, Fair Practice Code, Asset Classification, KYC/PMLA Guidelines, Provisioning Norms, Corporate Governance framework, Timely Reporting with RBI/SEBI/Stock Exchanges/Ministry of Corporate Affairs, etc. among others to ensure a comprehensive compliance framework. This is continuously reviewed and monitored by a robust internal audit and control framework.

Information Technology Systems risk

The Company deploys information technology systems, including Enterprise Resource Planning (ERP), loan management applications, Data Historian and Mobile Solutions to support its business processes, communications and customer details and loan records.

Data integrity and physical assets. Risks could primarily arise from the unavailability of systems and /or loss or manipulation of information or information data security.

Mitigation measure

The Company has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security Team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information available with the Company.

To mitigate these risks, your Company uses back up procedures, restricted access to applications and other security restrictions. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users are educated on adherence to the policies so as to eliminate data leakages. As a part of the Business Continuity Plan (BCP), the Company has created a remote Disaster Recovery Site, which gets tested on a regular basis.

INTERNAL CONTROLS

The Company has in place adequate internal control systems commensurate with the size and nature of its operations. Internal control systems comprising policies and procedures and well-defined risk and control matrix are designed to ensure orderly and efficient conduct of business operations, safeguard the Company's assets, prevention and detection of errors and frauds, ensure strict compliance with applicable laws and assure reliability of financial statements and financial reporting.

An extensive programme of internal audits, and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The efficacy of internal control systems is tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

DIRECTORS' REPORT

Dear Members,
Capri Global Capital Limited

The Directors of the Company are pleased to present their 26th Annual Report together with the Annual Audited Consolidated and Standalone Financial Statements for the Financial Year ended March 31, 2020.

FINANCIAL PERFORMANCE

I. Financial Highlights

The summary of the Company's Financial Performance, both on consolidated and standalone basis, for the Financial Year 2019-20 as compared to the previous Financial Year 2018-19 is given below:

(₹ in Lakh)

	Standalone		Consolidated	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Total Revenue	58,216.15	50,409.30	71,950.32	59,129.94
Less: Operating Expenses & Provisions	14,158.44	14,455.11	17,401.38	18,101.08
Less: Impairment on financial instruments (Expected Credit Loss)	2,651.70	739.64	2,992.26	985.52
Profit before Interest, Depreciation & Taxes (PBIDT)	41,406.01	35,214.55	51,556.68	40,043.34
Less: Depreciation	847.20	487.86	1,078.35	664.23
Less: Interest & Finance Charges	21,597.24	16,989.11	28,280.17	20,710.25
Profit Before Tax	18,961.57	17,737.58	22,198.16	18,668.86
Less: Provisions for taxation	5,389.08	4,869.75	6,074.78	5,102.56
Profit After Tax (PAT)	13,572.49	12,867.83	16,123.38	13,566.30
Profit After Tax (PAT) including Other Comprehensive Income	13,601.77	12,872.52	16,151.68	13,568.37
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	2720.35	2,580.00	3,210.35	2,720.00
Earnings per Share (EPS) (₹) Basic	7.75	7.35	9.21	7.75
Earnings per Share (EPS) (₹) Diluted	7.70	7.31	9.15	7.70
Net Worth	1,48,261.72	1,35,147.09	1,53,918.49	1,38,267.92
Loan Book / Assets Under Management (AUM)	3,13,660	3,31,060	4,03,480	4,10,320

OPERATIONAL PERFORMANCE/STATE OF AFFAIRS

I. Standalone Financial Performance

The Gross Income of the Company stood at ₹ 58,216.15 Lakh for the year ended March 31, 2020 as against ₹ 50,409.30 Lakh in the previous year. The Company reported a Net Profit of ₹ 13,572.49 Lakh for the year ended March 31, 2020 as compared to the Net Profit of ₹ 12,867.83 Lakh in the previous year due to better realizations, cost optimization and better operational controls.

The loan book stood at ₹ 3,13,660 Lakh as against ₹ 3,31,060 Lakh in the previous year. The Company has strengthened its retail business vertical and MSME Loan book has grown by 3.86% to ₹ 2,04,660 Lakh having 12,578 customers (previous year ₹ 1,97,090 Lakh having 11,051 customers), the average ticket size was ₹ 16 Lakh. Construction Finance business loan portfolio (including indirect lending) stood at ₹ 1,08,990 Lakh with 134 customers (previous year ₹ 1,33,849 Lakh with 146 customers) due to cautious approach taken by the Company on wholesale lending in construction finance, the average ticket size was ₹ 702 Lakh.

The Company along with its wholly-owned subsidiary company viz. Capri Global Housing Finance Limited, increased their reach to 87 locations spread over 8 States during the year as compared to 85 locations spread over 8 states in the previous year.

The Company had continued with strategy of going granular and focused on sourcing small ticket size loans in all its verticals, spread over wider geographical area resulting into de-risking the loan portfolio, better control over delinquencies and better risk spread in the medium to longer term.

The Gross NPA of the Company stood at 2.69% and the Net NPA was at 0.90% as of March 31, 2020, which is well below the industry averages.

II. Consolidated Financial Performance

The Consolidated Gross Income of the Company for the Financial Year ended March 31, 2020 is ₹ 71,950.32 Lakh vis-a-vis ₹ 59,129.94 Lakh in the previous year, thereby registering a growth of 21.68%. Consolidated Net Profit for the Financial Year ended March 31, 2020 is ₹ 16,123.38 Lakh as compared to ₹ 13,566.30 Lakh in the previous year, registering an increase of 18.85% due to better realizations, cost optimization and better operational controls.

During the year, the Company focused on improving operating efficiencies of the organization through successful implementation of hub & spoke model which assisted in tapping underserved markets in cost-efficient manner. Further, the Company optimized and realigned branch network that drove efficiency improvement during the year, which substantially reduced cost to income ratio to 38% in the FY 2019-20 from levels of 47% in the FY 2018-19.

The financial services sector has been facing challenges since September 2018 primarily due to liquidity constraints. However, the Company's focus on expanding retail book and prudent lending practices enabled to add new customers in MSME and Home Loan segments. The Company added new bank lines of ~ ₹ 2,05,000 Lakh in the FY 2019-20 and the Company has comfortable liquidity position of around ₹ 43,500 Lakh and undrawn credit lines of ₹ 60,500 Lakh at end of the Financial Year 2019-20, which supports the Company for its future growth and meeting its debt obligations.

The COVID 19 pandemic has caused disruption to business and economic activity across the globe in compliance with the directions issued by the Central / State Governments / Municipal Corporation with a view to prevent and contain the spread of COVID - 19, the Company had adopted a Business Continuity Plan to ensure the safety and wellbeing of all its employees, as well as the mitigation of potential service disruptions to our customers and stakeholders and business sustainability and taken several business initiatives in this regard. The operations of the Company and its branches has been/ is being resumed in graded manner in compliance with the Standard Operating Procedures / guidelines / instructions issued by Central / State Governments to prevent spread of COVID-19 and in order to ensure the safety and well-being of employees, workers and all stakeholders the Company.

RESOURCE MOBILIZATION

The Company has strengthened its relationships with banks /financial institution and and got an additional sanction of ₹ 1,47,000 Lakh. As of March 31, 2020, borrowings from Public sector, private sector banks and financial institutions in term loans (tenure of 5-8 years)/ CC limits were ₹ 1,91,229 Lakh as against ₹ 2,04,192 Lakh in FY 2018-19. The Company has raised ₹ 15,000 Lakh during the FY 2019-20 through Secured Redeemable Non-Convertible Debentures through Private Placement for a period of 10 years. The gearing of Company as at March 31, 2020 is 1.41 times. The Company has Nil exposure to Commercial papers.

DIVIDEND

The Directors have recommended final dividend of ₹ 0.20 per share of the face value of ₹ 2/- each for the Financial Year 2019-20 (previous year ₹ 0.36 per Share). The final dividend on Equity Shares, if approved by the Members in the upcoming Annual General Meeting, would involve a total outgo of ₹ 350.27 Lakh for the Financial Year 2019-20 as against ₹ 760.11 Lakh (including dividend tax) for the previous year and will be paid to those Members, whose names appear on the Register of Members/beneficial holders' list at the close of business hours on Friday, July 24, 2020.

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**the SEBI Listing Regulations**"), the Board of Directors of the Company has formulated the Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its Members. The Policy is available on the website of the Company at https://www.capriglobal.in/policies/.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to ₹ 2.18 Lakh as on date of holding of Annual General Meeting i.e. August 2, 2019. During the year, Unclaimed Dividend for the Financial Year 2011-12 amounting to ₹ 0.47 Lakh was transferred to Investor Education and Protection Fund on September 24, 2019.

The Company has uploaded the details of unclaimed dividend, unclaimed deposits and unclaimed interest on deposits on the Company's website at https://www.capriglobal.in/iepf/ and also on website specified by the Ministry of Corporate Affairs http://www.iepf.gov.in/IEPF/services.html.

IEPF is holding 35,615 Shares of the Company, at the end of the year under review.

TRANSFER TO RESERVES

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. Accordingly, the Company has transferred ₹ 2,720.35 Lakh (previous year ₹ 2,580.00 Lakh) to Statutory Reserve Account.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 ("**the Act**") read with the Companies (Acceptance of Deposits) Rules, 2014.

AWARDS AND RECOGNITION

During the year under review, Mr. Rajesh Sharma, the Managing Director of the Company has won India's Most Inspirational Leader by White Page India. Some of the significant accolades earned by your Company during the year includes:

1. "Best BFSI Brand 2019" by Economic Times
2. "India's Most Admired Financial Service Company" by White Page India

SHARE CAPITAL

As on March 31, 2020, the Authorized Share Capital of the Company stood at ₹ 7,200 Lakh (36,00,00,000 Shares of ₹ 2/- each and the Issued, Subscribed and Paid-up Equity Share Capital of the Company stands at ₹ 3,502.70 Lakh (comprising of 17,51,34,805 Equity Shares of ₹ 2/- each). During the Financial Year 2019-20, the Company has not issued any Equity Shares.

RBI GUIDELINES

Your Company is registered as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI) with RBI. Accordingly, during the year, the Company has not accepted any deposits from the public and therefore, there is no deposits which become due for repayment or renewal. The Company has complied with the 'Master Directions - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', amended from time to time and all other applicable Directions/regulations/circulars of RBI during the Financial Year 2019-20.

CAPITAL ADEQUACY RATIO

As on March 31, 2020, the Company's Capital Adequacy Ratio (CAR), stood at 38% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

EMPLOYEES' STOCK OPTION SCHEME

During the year under review, the Nomination and Remuneration Committee of the Board has granted 2,65,500 stock options to the eligible employees under the Employee Stock Option Scheme 2009.

The disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, is attached to this Report as **Annexure I** hereto and is also available on website of the Company at https://www.capriglobal.in/esos-details/.

A certificate from the Statutory Auditors certifying that Employee Stock Option Scheme 2009 has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) passed by the Members would be uploaded on website of Company www.capriglobal.in during the Annual General Meeting of the Company for inspection by the Members.

CREDIT RATING

Credit Analysis and Research Ltd. ("CARE") has re-affirmed ratings with respect to the credit facilities availed by the Company as follows:

Sl. No.	Nature of Borrowing	Amount (₹ Lakh)	Rating
1	Long Term Bank Facilities	3,90,000	CARE A+; Negative (Single A Plus; Outlook: Negative)
2	Non-Convertible Debentures	60,000	CARE A+; Negative (Single A Plus; Outlook: Negative)

Furthermore, Brickwork Rating India Pvt. Ltd. reaffirmed rating with respect to the bank facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ Lakh)	Rating
1	Cash Credit	12,000	BWR AA- (Pronounced as BWR Double A Minus) Outlook - Negative
2	Term Loans	4,50,000	
3	Non-Convertible Debentures	5,000	

In Infomerics assigned rating with respect to the bank / credit facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ Lakh)	Rating
1	Cash Credit	12,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
2	Term Loans	4,38,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
3	Non-Convertible Debentures	30,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
4	Commercial Papers	35,000	IVR A1+ (IVR A One Plus)

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Financial Statements of the Company comply with the Ind AS specified under Section 133 of the Act.

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors with and Internal Control over financial reporting is tested and certified by Statutory Auditors.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

SUBSIDIARY ENTITIES

(a) As on March 31, 2020, your Company has 2 (two) subsidiaries namely Capri Global Housing Finance Limited and Capri Global Resources Private Limited. Your Company's subsidiaries have considerably contributed to the overall growth of your Company during the year. There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Act and Regulation 34 of SEBI Listing Regulations, the Consolidated Financial Statements of the Company and all its subsidiary companies have been prepared and are forming part of this Annual Report. A statement containing salient features of the Financial Statements of subsidiary and associate companies is stated in the prescribed Form AOC-1 as **Annexure I,** attached to the Consolidated Financial Statements of the Company.

In accordance with the provisions of Section 136 of the Act, the Annual Financial Statements and related documents of the subsidiary companies are placed on the website of the Company at www.capriglobal.in. Members may download the Annual Financial Statements and detailed information on subsidiary companies from the Company's website and also available for inspection during business hours at the registered office of your Company. Any Member who is interested in obtaining a copy of the Audited Financial Statements of your Company's subsidiaries may write to the Company Secretary at the Registered Office of your Company.

(b) Financial Performance & position of Subsidiaries

1. **Capri Global Housing Finance Limited**

Capri Global Housing Finance Limited ("**CGHFL**"), a registered Housing Finance Company licensed by National Housing Bank is a wholly owned subsidiary of your Company and it primarily serves the housing loan needs of middle and lower-income families, classified as affordable housing.

CGHFL has shown an impressive growth of 13.30% in its loan portfolio to ₹ 89,820 Lakh in the Financial Year 2019-20 as against ₹ 79,270 Lakh in the Financial Year 2018-19 and increasing its reach to 10,207 customers from 8,637 customers in previous year. Total Income increased by 56.89% to ₹ 13,946.96 Lakh in the Financial Year 2019-20 as against ₹ 8889.58 Lakh in the Financial Year 2018-19. Profit after tax registered a growth of 248.48% at ₹ 2,433.26 Lakh in the Financial Year 2019-20 as against ₹ 698.24 Lakh in the Financial Year 2018-19.

2. **Capri Global Resources Private Limited**

Capri Global Resources Private Limited ("**CGRPL**"), is a wholly owned subsidiary of your Company. CGRPL has reported loss of ₹ 1.29 Lakh during the year.

(c) Capri Global Assets Reconstruction Private Limited and Capri Global Capital (Mauritius) Limited ceased to be a subsidiary of the Company during the Financial Year 2019-20.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Rajesh Sharma (DIN:00020037), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Board of Directors recommend his appointment.

During the year under review, pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, Mr. Ajit Mohan Sharan (02458844) was appointed as an Independent Additional Director of the Company with effect from June 1, 2019 by the Board of Directors. Further, Members of the Company at the 25th Annual General Meeting of the Company held on August 2, 2019 approved his appointment as a Non-Executive Independent Director, not liable to retire by rotation, for a term of 5 (Five) years with effect from June 1, 2019.

Mr. T. R. Bajalia (DIN:02291892), Non-Executive Independent Director of the Company has resigned as Director w.e.f. December 19, 2019 for personal reasons and other commitments and also confirmed that there were no other material reasons other than those provided.

The brief details of the Directors proposed to be reappointed as required under Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI Listing Regulations is provided in the Notice convening Annual General Meeting of the Company.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

As at March 31, 2020, the Company had five Independent Directors including one Woman Director.

In compliance of Section 203 of the Act, Mr. Ashish Gupta was appointed as a Chief Financial Officer and Whole Time Key Managerial Personnel of the Company w.e.f. May 3, 2019. Mr. Rajesh Sharma, Managing Director of the Company who was given the additional charge as Chief Financial Officer of the Company with effect from February 1, 2019 has relinquish the same with effect from May 3, 2019.

Further, Mr. Abhishekh Kanoi was appointed as Vice President & Group Company Secretary and Compliance Officer and Whole Time Key Managerial Personnel of the Company w.e.f. November 8, 2019. Mr. Harish Agarwal has resigned as a Sr. Vice President & Company Secretary at the close of business hours on August 31, 2019.

As on the date of this Report, Mr. Rajesh Sharma, Managing Director, Mr. Ashish Gupta, Chief Financial Officer and Mr. Abhishekh Kanoi, Vice President & Group Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations.

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act. All the Directors meet the 'Fit and Proper' criteria as per the policy of the Company and as stipulated by RBI.

Opinion of the Board regarding Independent Directors appointed during the year

Mr. Ajit Mohan Sharan (02458844) was appointed as an Independent Additional Director of the Company with effect from June 1, 2019. The Board of Directors acknowledge and confirm with regard to integrity, expertise and experience of Mr. Ajit Mohan Sharan being eligible for discharging his functions and providing requisite contribution to the Board as an Independent Director of the Company.

Board Meetings

During the year, 4 (Four) meetings of the Board of Directors were held. Details about the Board Meetings and Committee Meetings are given in report on Corporate Governance which forms part of this Report.

Constitution of various Committees

The Board of Directors of the Company has constituted various Committees including the following:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Details of each of the Committees stating their respective composition, terms of reference and others are uploaded on our website at www.capriglobal.in and as detailed in the Corporate Governance Report attached to and forming part of this Report.

Policies on Appointment of Directors and their Remuneration

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). Further, the Company has in place the orderly succession plan for the appointments at the Board and senior management level.

The Company's policy on directors' appointment and remuneration and other matters as provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link https://www.capriglobal.in/policies/ .

Annual Evaluation of Board, its Committees, and Individual Directors

The Company has devised a Policy for performance evaluation of the Board, its Committees, and other individual Directors (including Independent Directors) which includes criteria for Performance Evaluation of the Non-Executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communicating inter se Board Members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual evaluation of the performance of the Board, its Committees and Individual Directors and Chairperson. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee Members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

Familiarization Programme for Independent Directors

Familiarization Programme for Independent Directors is mentioned at length in Corporate Governance Report attached to this Report and the details of the same have also been disclosed on the website of the Company at https://www.capriglobal.in/policies/.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure;

b) they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

A. Statutory Auditors

In terms of Section 139 of the Act, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm No.117366W/W-100018), were appointed as statutory auditors of the Company for a period of five years from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the Financial Year 2019-20.

B. Secretarial Audit

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed M/s. Maks & Co., Company Secretaries in Practice (ICSI Registration Number FRN: P2018UP067700), for conducting Secretarial Audit. The Secretarial Audit Report for the Financial Year ended March 31, 2020 is appended to this Report as **Annexure II(A)**. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the Financial Year 2019-20. Other observation, if any in the report is self explanatory.

In terms of Regulation 24A of the SEBI Listing Regulations, the Secretarial Audit Report of material subsidiary of the Company i.e Capri Global Housing Finance Limited for the Financial Year ended March 31, 2020, is annexed to this Report as **Annexure II(B)**.

C. Reporting of Frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor of the Company have reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Policy of the Company, inter alia, list the activities that can be undertaken or supported by the Company for CSR as envisaged in Schedule VII of the Act, composition and meetings of CSR Committee criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The details of CSR Policy of the Company are available on the website of the Company at https://www.capriglobal.in/policies/

The composition and terms of reference of the CSR Committee are provided in the Report on Corporate Governance.

In terms of Section 135 of the Act, the details of the CSR spent during the year under review is provided in the Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 and attached to this Report as **Annexure III**.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, review and monitor the risk management plan for the Company and ensuring its effectiveness in addition to Asset Liability Management Committee monitors and manages the liquidity and interest rate risks. The Company and its subsidiaries have a risk management framework and the Committee on timely basis informs the Board Members about risk assessment and minimization procedures which in the opinion of the Committee may threaten the existence of the Company, if any. The Audit Committee has additional oversight in the area of credit & liquidity risks, interest rate risk, and operational risk. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The details of the functioning of the Risk Management Committee and ALCO and its frequency of meetings are provided in Report on Corporate Governance forming part of this Annual Report. The Company follows a proactive risk management policy, aimed at protecting its assets and employees while at the same time ensuring growth and continuity of its business. Regular updates on the development in the business environment and the risk mitigation initiatives are provided to Board at its meeting.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure IV**.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection on the website of the Company and any Member interested in obtaining such information may write an email to the Company Secretary at compliance.officer@capriglobal.in and the same will be furnished on such request.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure/ information is related to any Director of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and SEBI Listing Regulations. The same is displayed on the website of the Company at https://www.capriglobal.in/policies/. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval.

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note 40 of Standalone Financial Statements.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act in the prescribed Form AOC-2.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2020 in Form No. MGT-9 can be accessed on the Company's website at https://www.capriglobal.in/mgt-9/.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, Management Discussion and Analysis Report forms part of this Report.

REPORT ON CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. In terms of Regulation 34 of the SEBI Listing Regulations, the Report on Corporate Governance for the Financial Year ended March 31, 2020 along with the certificate from the Secretarial Auditors of the Company confirming the compliance with regulations of corporate governance under the SEBI Listing Regulations is annexed to the Report on Corporate Governance and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report is appended as **Annexure V** and forms part of this Report and can also be accessed on the Company's website at www.capriglobal.in.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formulated and established a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and to report incidents of leak or suspected leak of unpublished price sensitive information. Adequate safeguards are provided against victimization of those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The Whistle Blower Policy is available on the website of your Company at https://www.capriglobal.in/policies/

During the year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

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

Your Company has adopted zero tolerance for sexual harassment at workplace and has formulated a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 ("**POSH Act**") and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. Your Company has complied with provisions relating to the constitution of Internal Committee under the POSH Act.

During the year under review, no complaints were received from any of the employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

During the Financial Year 2019-20, the Company's foreign exchange earnings were NIL and outgo was ₹ 96.63 Lakh as against ₹ 77.64 Lakh in the previous year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

The Company being a Non-Banking Finance Company, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company.

As regards investments made by the Company, the details of the same are provided under Notes in the Financial Statements of the Company for the year ended March 31, 2020, forming part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS

During the Financial Year 2019-20, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

LISTING

Equity Shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Limited. Your Company has paid required listing fees to Stock Exchanges for FY 2020-21.

MAINTENANCE OF COST RECORDS

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

In terms of the SEBI Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Rajesh Sharma, Managing Director and Mr. Ashish Gupta, Chief Financial Officer, for the Financial Year 2019-20 with regard to the Financial Statements and other matters. The said Certificate is attached herewith as **Annexure VI** and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors acknowledge the support extended by the Securities and Exchange Board of India, Reserve Bank of India, National Housing Bank, Ministry of Corporate Affairs, Registrar of Companies and all other governmental and regulatory authorities for the guidance and support received from them including officials there at from time to time.

Your Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders in large including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of Board of Directors

Sd/-	Sd/-
Rajesh Sharma	**Beni Prasad Rauka**
Managing Director	Independent Director
(DIN: 00020037)	(DIN: 00295213)

Place: Mumbai
Date: May 9, 2020

Annexure - I

DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2020

A. RELEVANT DISCLOSURES IN TERMS OF THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME

The relevant disclosure is provided in the Notes to the Financial Statements, Significant Accounting Policies No. 2 for the Financial Year ended March 31, 2020

B. DILUTED EPS ON ISSUE OF SHARES PURSUANT TO ALL THE SCHEMES COVERED UNDER THE REGULATIONS SHALL BE DISCLOSED IN ACCORDANCE WITH 'ACCOUNTING STANDARD 20 - EARNINGS PER SHARE' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME

The Diluted Earnings per Share (EPS) before and after extraordinary items for the year ended March 31, 2020 is ₹ 7.70 each

C. DETAILS RELATED TO EMPLOYEE STOCK OPTION SCHEMES (ESOS) OF THE COMPANY

Sr. No.	Particulars	Money Matters ESOP, 2009
(a)	Date of shareholder's approval	September 22, 2009
(b)	Total number of options approved under ESOS	2,61,51,340
(c)	Vesting requirements	Options would vest not less than one year and not more than six years from the date of grant.
(d)	Exercise price or pricing formula @	Refer Note
(e)	Maximum term of option granted	Stock Options granted shall be capable of being exercised within a period of one year from the date of vesting of the Stock Options.
(f)	Source of shares	Primary
(g)	Variation in terms of options	There is no variation in the terms of the options during the Financial Year ended March, 31, 2020.
	i. Method used to account for ESOS–The Company uses fair value of options for accounting for stock options granted	
	ii. Where the company opts for expensing of the options using the intrinsic value of the options	
	(a) - the difference between the employee compensation costs computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed	Not applicable
	- The impact of this difference:	
	- On Profits	Not applicable
	- On EPS	Not applicable
	iii. Option movement during the year	
	(a) Number of options outstanding at the beginning of the year	17,44,000
	(b) Number of options granted during the year	2,65,500
	(c) Number of options forfeited/lapsed during the year	3,30,000
	(d) Number of options vested during the year	NIL
	(e) Number of options exercised during the year	NIL
	(f) Number of shares arising as a result of exercise of options	NIL
	(g) Money realised by exercise of options (INR), if Scheme is implemented directly by the Company	NIL
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	16,79,500
	(j) Number of options exercisable at the end of the year	NIL
	iv. Weighted-average exercise prices and weighted-average fair values of options - Weighted Average Exercise Price: ₹ 68.83 each Weighted Average Fair Value of options ₹ 85.03 each	

Sr. No.	Particulars	Money Matters ESOP, 2009
	v. Employee wise details of options granted:	
	(a) Key Managerial Personnel	**Employee Name** – **Designation** Mr. Ashish Gupta – Chief Financial Officer Mr. Abhishekh Kanoi – Vice President and Group Company Secretary
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	List of Employees who were granted 5% or more of the options granted during the year 2019-20: **Employee Name** – **Designation** Mr. Ashish Gupta – Chief Financial Officer Mr. Bhupinder Singh – Head – Litigation Mr. Suraj Prakash – Head – Technology Mr. Munish Jain – National Sales Manager Mr. Abhishekh Kanoi – Vice President and Group Company Secretary
	(c) Identified employee who were granted option, during anyone year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None of the Employees were granted more than 1% of the issued capital.
	vi. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information - We have used the Black-Scholes Merton formula for Option-Pricing Models. 1. Discount Rate ranging from 6.07% to 6.66% is used based on the benchmark rate available on Government Securities (G. Sec.) for the tenure of upto 5 years. 2. Expected volatility for each grant date's fair valuation is considered as 60%. 3. Dividend yield ranging from 1.00% is assumed for ESOP's valuations.	

@Note:

i. Face value per equity share of the Company; or

ii. Closing price of the Stock Exchange with the highest trading volumes on the last working day prior to the date of grant; or

iii. 25% discount to the Prevailing Market Price; or

iv. Pre - determined price as fixed at the time of grant of options.

Annexure - II(A)

MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013, Maharashtra, India
CIN: L72900DL2009PLC341980

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. **Capri Global Capital Limited** (hereinafter referred as 'the **Company**'). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Capri Global Capital Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on March 31, 2020 (commencing from April 1, 2019 to March 31, 2020), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated May 9, 2020 annexed to this report as **Annexure – A.**

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2020 according to the applicable provisions of:

    i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

    ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

    iii) The Depositories Act, 1996 and the regulations and bye–laws framed thereunder;

    iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

    v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

        a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

        d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

        e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

        f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued; and

        g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period).

        h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);

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

2. We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company and the Company is *generally* regular in compliance with these laws, rules, regulations and guidelines during the financial year commencing from April 01, 2019 to March 31, 2020:

    a. The Reserve Bank of India Act, 1934 (RBI) to the extent it is applicable to Non-Banking Financial Company

    b. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

c. Master Direction - Information Technology Framework for the NBFC Sector

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

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

f. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder

3. We have also relied upon compliance reports from the management, the representation made by the Company and its officers for systems and mechanism framed by the Company to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, as applicable to the Company.

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

   i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'). We noted that the Company is generally regular in complying with the Secretarial Standards; and

   ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as **'SEBI LODR 2015'**) and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (hereinafter referred as '**NSE**') and BSE Limited (hereinafter referred as '**BSE**') (collectively hereinafter referred as **'the Stock Exchanges'**).

5. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been regular in compliance with the provisions of the Acts, Rules, Regulations, Secretarial Standards and Listing Agreements mentioned above. However, in one of the instances, the disinvestment made by the Company in one of its non-material wholly owned subsidiary on December 31, 2019 has been intimated to Stock Exchanges under Regulation 30 of SEBI LODR 2015 on January 17, 2020.

6. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

7. We further report that:

   i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

   ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Decisions of Board/Committee were carried through majority. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

   iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

   iv) We further report that during the audit period the Company had following specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.:

      a) The Board in its meeting held on November 08, 2019 approved to divest the entire shareholding of Capri Global Capital Asset Reconstruction Private Limited. The divestment was completed on December 31, 2019.

      b) The approval of the Shareholders has been obtained at the 25th Annual General Meeting of the Company held on August 02, 2019 for the following:

         - To borrow in excess of the paid up Capital and free reserves of the Company not exceeding ₹ 6500 Crore pursuant to Section 180(1) (c) of the Act;

         - To create security on the assets of the Company pursuant to Section 180(1) (a) of the Act;

         - To issue non–convertible Debentures for an amount not exceeding ₹ 1000 Crore pursuant to the provisions of Section 23, 42 and 71 of the Act;

         - To amend the main object clause of Memorandum of Association of the Company pursuant to the provisions of Section 13 of the Act, 2013;

- To raise funds by way of issue of securities through Qualified Institutions Placement (QIP) or an amount not exceeding ₹ 1000 Crore pursuant to the provisions of Section 42 of the Act.

c) During the period, the Company has filed five applications through e-Form CG-1, for condonation of delay in respect of non-filing of e-Form MGT-14 in respect of certain resolutions passed in the Board Meetings held in FY 2016-17 and FY 2017-18 as per Section 117 of the Act. The said applications were approved by the Central Government on February 21, 2020. However, as on date of the report, the Company has not received the original order through registered post and accordingly compliances, post receipt of the Order, will be pursued by the Company on receipt of the original order.

Note: Due to COVID-19 outbreak worldwide and lockdown imposed by Government of India and respective State Governments since March 24, 2020 till date of this report, we have not been able to do process audit and physical verification of certain books, papers, minute books, forms and returns filed and other records maintained by the Company and same have been verified electronically either on emails or virtual data room.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Sd/-
Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946
UDIN: F009565B000218983

Place: Noida
Date: May 9, 2020

ANNEXURE –A TO SECRETARIAL AUDIT REPORT DATED MAY 9, 2020

To,
The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai, Maharashtra - 400013, India
CIN: L72900DL2009PLC341980

Our Secretarial Audit Report dated May 9, 2020 is to be read with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Capri Global Capital Limited ('the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.

5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Sd/-
Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946
UDIN: F009565B000218983

Place: Noida
Date: May 9, 2020

Annexure - II(B)

MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Capri Global Housing Finance Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013, Maharashtra, India
CIN: U65990MH2006PLC161153

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. **Capri Global Housing Finance Limited** (hereinafter referred as 'the **Company**'). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Capri Global Housing Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on March 31, 2020 (commencing from April 1, 2019 to March 31, 2020), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated May 9, 2020 annexed to this report as **Annexure – A**.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2020 according to the applicable provisions of:

    i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

    ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

    iii) The Depositories Act, 1996 and the regulations and bye–laws framed thereunder;

    iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);

    v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

        a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);

        b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the audit period);

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

        d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

        e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

        f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued; and

        g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period).

        h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);

        i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(Not applicable to the Company during the audit period).

2. We, based upon the Management Representation, further report that there are adequate systems and processes in the

Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company and the Company is generally regular in compliance with these laws, rules, regulations and guidelines, during the financial year commencing from April 01, 2019 to March 31, 2020:

a. The National Housing Bank Act, 1987

b. The Housing Finance Companies(NHB) Directions, 2010

c. Master Circular on Fair Practice Code for Housing Finance Companies

d. Master Circular-Housing Finance Companies- Corporate Governance (NHB) Directions, 2016 and

e. Master Circular – Miscellaneous Instructions to all Housing Finance Companies

f. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder

3. We have also relied upon compliance reports from the management, the representation made by the Company and its officers for systems and mechanism framed by the Company to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act,as applicable to the Company.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'). We noted that the Company is generally regular in complying with the Secretarial Standards; and

ii) The Listing Agreements entered with Stock Exchanges read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. (Not applicable to the Company during the Audit period)

5. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been generally regular in compliance with the provisions of the Acts, Rules, Regulations, Secretarial Standards as mentioned above except to the extent that Secretarial Audit Report for the Financial Year 2018-19 was not annexed with Directors Report and filed with the Registrar of Companies in compliance with the provisions of the Companies Act, 2013. However, subsequently the Company has obtained Secretarial Audit Report from M/s D M & Associates for the Financial Year 2018-19.

We further report that there was no Chief Financial Officer ("CFO") as on 31st March 2019.The Company has appointed CFO as required under Section 203(1) of the Companies Act, 2013 with effect from August 01, 2019

6. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

7. We further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and where any Board Meeting was held on shorter notice the same was conducted in compliance with the Act and system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Decisions of Board/Committee were carried through majority. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

iv) We further report that during the audit period the Company had following specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.:

a) The approval of the Shareholders has been obtained at the 13th Annual General Meeting of the Company held on June 24, 2019 for the following:

- To borrow in excess of the paid up Capital and free reserves of the Company not exceeding ₹ 2000 Crore pursuant to Section 180(1) (c) of the Act;

- To create security on the assets of the Company pursuant to Section 180(1) (a) of the Act;
- To issue non–convertible Debentures for an amount not exceeding ₹ 500 Crore pursuant to the provisions of Section 23, 42 and 71 of the Act;

Note: Due to COVID-19 outbreak worldwide and lockdown imposed by Government of India and respective State Governments since March 24, 2020 till date of this report, we have not been able to do process audit and physical verification of certain books, papers, minute books, forms and returns filed and other records maintained by the Company and same have been verified electronically either on emails or virtual data room.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Sd/-

Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946
UDIN: F009565B000219038

Place: Noida
Date: May 9, 2020

ANNEXURE – A TO SECRETARIAL AUDIT REPORT DATED MAY 9, 2020

To,
The Members,
Capri Global Housing Finance Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai, Maharasthra - 400013, India
CIN: U65990MH2006PLC161153

Our Secretarial Audit Report dated May 9, 2020 is to be read with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Capri Global Housing Finance Limited ('the **Company**') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.

5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Sd/-
Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946
UDIN: F009565B000219038

Place: Noida
Date: May 9, 2020

Annexure - III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILTY (CSR) ACTIVITIES

1. **A brief outline of the Company's Corporate Social Responsibility ("CSR") Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes**: The Company's CSR Policy is based on the firm belief that there can be nothing better than enriching the human capital of the society which can provide a sustainable socio-economic impact. The Company is on a mission of creating a social impact through diverse CSR activities and firmly believes that the mandate of the Company does not end with multiplying returns for our shareholders but must fulfill larger responsibility towards the society. Company strives to have a positive impact on the communities in which we live and operate. The Company's CSR initiative has been directed to provide to the most economically and socially marginalized people, particularly children, women and the differently–abled, an easy access to better education and vocational training. For more information please refer CSR policy on https://www.capriglobal.in/wp-content/uploads/2019/02/1._Corporate_Social_Responsibility_Policy.pdf

   The activities and projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

2. **The Composition of the CSR Committee**: The Company has a CSR Committee of directors comprising Ms. Bhagyam Ramani, Chairperson of the Committee, Mr. Beni Prasad Rauka and Mr. Rajesh Sharma.

3. **Average net profit of the Company for last three financial years for the purpose of computation of CSR**: ₹ 13,527.67 Lakh

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 270.55 Lakh.

5. **Details of CSR spend for the Financial Year:**

   a) Total amount spent for the Financial Year: ₹ 270.55 Lakh

   b) Amount Unspent: NIL

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

(₹ in Lakh)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1).Local area or other (2).Specify the State and district where project or program was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs (1) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to the corpus of Capri Foundation towards CSR activities as per the focus areas and program areas listed in CSR Policy of CGCL	Areas specified under Schedule VII of the Companies Act, 2013	NA	NA	Direct – NIL Overheads – NIL	NA	Direct – NIL
2	Capri Education Initiative -, Training and Advocacy Initiative with NSS students, Incubation, Innovation and fellowship program Supported candidates -**2002 Nos.**	Clause (ii) of Schedule VII Promoting Education	Uttar Pradesh- Kanpur (other areas)	16.00	Direct –33.75 Overheads – NIL	33.75	Direct – NIL
			Pan India	17.75			Through Implementing Agency – 33.75 (Sakshi, IIT Kanpur)
3	Capri Health Initiative – Project on Combating Malnutrition Promotion of hygiene behavior among women Financial Assistance for health emergency Promotion of WASH practices Supported Candidates **4897 Nos.**	Clause (i) of Schedule VII Health Care	Maharashtra Mumbai (Local area)	0.01	Direct – 65.26 Overheads – NIL	65.26	Direct: Nil
			Madhya Pradesh Bhopal (Local area)	07.50			Through: Implementing Agency 65.26 Capri Foundation, Parivaar, Sukhibhav, Catalysts for Social Action,
			Madhya Pradesh Sehore (Other)	25.00			
			Madhya Pradesh Indore Local area)	29.00			
			Delhi Local area)	3.00			
			Gujrat (Bhuj) Local area)	0.75			
4	Capri Livelihood Development and Women Empowerment - Promotion of Entrepreneurship and sustainable agriculture practices Financial Inclusion among women and Skill development Strengthening of Self-Help Group Supported Candidates -**14550 Nos.**	Clause (ii) of Schedule VII Promoting Vocational Education	Maharashtra, Satara Local area)	22.40	Direct – 129.40 Overheads – NIL	129.40	Through: Implementing Agency Capri Foundation – 129.40 (Partners: Seva Mandir, Chaitanya, Entrepreneurs Association, Mann Deshi Foundation, Buzz India
			Karnataka,Chikkaballapura (other area)	55.00			
			Rajasthan, Udaipur (Local area)	22.00			
			Nagaland Kohima (Other area)	18.00			
			Madhya Pradesh Maheshwar (Other area)	12.00			
5	Emergency Response to Flood Relief Supported Candidates **- 750**	Clause (xii) of Schedule VII Disaster management, including relief, rehabilitation and reconstruction activities	Maharashtra, Kolhapur (Local area))	06.00	Direct –16.58 Overheads – NIL	16.58	Direct: NIL
			Bihar, Patna (Other area)	10.58			Through: Implementing Agency Capri Foundation – 16.58 (Partner: United Way Mumbai, Yuganter)
6	Emergency Response to COVID-19 Supported Candidates **- 1400**	Clause (v) of Schedule VII Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;	Maharashtra, Mumbai (Local area)	10.00	Direct – 10.00 Overheads – NIL	10.00	Direct: NIL Through: Implementing Agency Capri Foundation – 10.00 (Partner: Feeding India, Pragati Holistic Development Trust)

(₹ in Lakh)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1).Local area or other (2).Specify the State and district where project or program was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs (1) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
7	Sustainable Environment initiative 1000 trees	Clause (ii) of Schedule VI Ensuring Environmental sustainability	Maharashtra, Bhiwandi (Local area))	03.00	Direct – 03.00 Overheads-NIL	03.00	Direct: NIL Through: Implementing Agency Capri Foundation – 03.00 (Partner Green Yatra)
8	Administrative cost	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014	NA	12.56	Direct – NIL Overheads – 12.56	12.56	Direct: 12.56 Through Agency: NIL
	Total			**270.55**	**270.55**	**270.55**	

*Capri Foundation is an implementing organization, on a mission of creating positive social impact through implementing innovative CSR activities and development programs. Capri Foundation is registered under Bombay Public Trust Act 1950.

6. **In case the Company has failed to spend the two percent of the average net profit of the last three Financial years or any part thereof, the reasons for not spending the amount in its Board's Report:** Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:** The CSR Committee confirms that the implementation and monitoring of CSR Policy are in compliance with the CSR objectives and Policy of the Company.

Sd/-
Rajesh Sharma
Managing Director
DIN: 00020037

Sd/-
Bhagyam Ramani
Chairperson of the CSR Committee
DIN: 00107097

Annexure - IV

DETAILS PERTAINING TO EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Particulars	Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2019-20	Mr. Rajesh Sharma (Managing Director) 8.42x No other directors are in receipt of remuneration
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	**Directors:** 1) Mr. Rajesh Sharma (Managing Director) - NIL **Key Managerial Personnel:** Mr. Ashish Gupta[1], Chief Financial Officer - NIL * Mr. Abhishekh Kanoi[2], Vice President and Group Company Secretary NIL* Mr. Harish Agrawal[3], Sr. Vice President & Company Secretary – NIL*
iii.	The percentage increase in the median remuneration of employees in the Financial Year	7.50 %
iv.	The number of permanent employees on the rolls of Company	1,434 employees as on 31.03.2020 (1,593 employees as on 31.03.2019)
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in salary of eligible employees other than managerial personnel is 8.20%. Remuneration of Managing Director was not changed during FY 2019-20.
vi.	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees	

1 Mr. Ashish Gupta appointed as Chief Financial Officer of the Company with effect from May 3, 2019

2 Mr. Abhishekh Kanoi appointed as Vice President and Group Company Secretary of the Company with effect from November 8, 2019

3 Mr. Harish Agrawal ceased to be Sr. Vice President & Company Secretary of the Company with effect from August 31, 2019

* Remuneration does not include variable pay.

Note:

Employee performance is appraised based on the performance of the Company during the previous year and the change in remuneration is made effective from the beginning of the Financial Year. The employees are paid revised remuneration on June 30 every year.

Annexure - V

BUSINESS RESPONSIBILITY REPORT 2019-20

AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2020

(Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of Capri Global Capital Limited ("the Company") for the financial year 2019-20 is presented below.

The Company's policy framework includes various codes and policies such as Employees' Code of Conduct, Corporate Social Responsibility Policy, Whistle Blower Policy, Code for Fair Practices and Procedures for disclosure of Unpublished Price Sensitive Information etc., which are framed to enable the Company to comply with the statutory and regulatory requirements and ensure that its operations are conducted in an ethical, transparent and accountable manner. The disclosures presented in this Report cover the operations of the Company. The Business Responsibility Report of the Company is also available on its website at www.capriglobal.in.

NINE PRINCIPLES OF THE NVGS:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

SECTION A:

General Information About of the Company

1.	Corporate Identity Number (CIN) of the Company	L65921MH1994PLC173469
2.	Name of the Company	Capri Global Capital Limited ("CGCL")
3.	Registered and Corporate office address	502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India
4.	Website	www.capriglobal.in
5.	E-mail id	compliance.officer@capriglobal.in
6.	Financial Year Reported	April 1, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services except Insurance and pension funding activities - NIC Code: 64920
8.	List of key products/services that the Company provides	Capri Global Capital Limited (CGCL) is a Non- Deposit Taking, Systematically Important Non-Banking Financial Companies (NBFC-ND-SI) engaged in financial services which includes business loans for MSME and project loans in Construction Finance Sector. Key Products/Services are as follows: 1. Loan to MSME/ SME Businesses 2. Loans Against Property 3. Construction Finance / Project Finance 4. Cash Flow Backed / Asset Backed Financing 5. Structured Debt 6. Working Capital Loans 7. Indirect Retail Lending to NBFC
9.	Total number of locations where business activity is undertaken by the Company	All lending activities are done only in India.
(I)	Number of International Locations	Not Applicable
(II)	Number of National Locations	The Company has PAN India presence. As at March 31, 2020, the Company has 87 Branches in India.
10.	Markets served by the Company	The Company has a PAN-India presence and offices in 8 states spread across 87 branches in India.

SECTION B:
Financial Details of the Company

1.	Paid-up Capital	₹ 35,02,69,610/- (as on March 31, 2020)
2.	Total Turnover	Standalone: ₹ 58,216.15 Lakh
3.	Total Profit after Taxes	Standalone: ₹13,572.49 Lakh
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax	The Company has spent 2% of its average net profits for the preceding three financial years in terms of Section 135 of the Companies Act, 2013 and Rules made thereto towards CSR activities in Financial Year 2019-20.
5.	List of activities in which expenditure in Sr. No. 4 above has been incurred	CGCL has undertaken CSR Activities as per Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2019-20 attached as **Annexure-III.**

SECTION C:
Other Details of the Company

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has two Subsidiary Companies.
2.	Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes. BR activities of the subsidiary company are conducted as part of the parent company to the extent possible
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D:
Business Responsibility Information

1. Details of Director/Directors responsible for Business Responsibility

a. Details of the Director responsible for implementation of the Business Responsibility Policy:

1.	Name of the Director	Mr. Rajesh Sharma
2.	DIN	00020037
3.	Designation	Managing Director

b. Details of the Business Responsibility Head:

1.	DIN (if applicable)	00020037
2.	Name	Mr. Rajesh Sharma
3.	Designation	Managing Director
4.	Email Id and Telephone No.	Email Id: compliance.officer@capriglobal.in Telephone No.: 022 – 400888100

2. Principle-wise as per National Voluntary Guidelines (NVGs) Business Responsibility Policies:

The principle wise responses are given below:

Sl. No	Questions	P1 Ethics Transparency & Accountability	P2 Business Lifecycle Sustainability	P3 Wellbeing of all employee	P4 Stakeholder's Engagement	P5 Human Rights	P6 Protection of Environment	P7 Public Advocacy	P8 Inclusive Growth and equitable development	P9 Customers' Value
1	Is there a policy for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy conform to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y

Sl. No	Questions	P1 Ethics Transparency & Accountability	P2 Business Lifecycle Sustainability	P3 Wellbeing of all employee	P4 Stakeholder's Engagement	P5 Human Rights	P6 Protection of Environment	P7 Public Advocacy	P8 Inclusive Growth and equitable development	P9 Customers' Value
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	Y (Refer Note b)	- (Refer Note b)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note b)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	-	-	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	-	Y (Refer Note d)	Y (Refer Note d)

# Principle-wise Policies		
P1	**Ethics, Transparency & Accountability**	The Company's Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Anti Money Laundering Policy, KYC Policy, Fair Practices Code Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment elucidate ethical behaviour, transparency and accountability.
P2	**Business Lifecycle Sustainability**	The Company's Fair Practice Code and Customer Grievance Redressal mechanism which promote a culture where all efforts are directed towards providing good quality and safe products to all our customers.
P3	**Wellbeing of all Employees**	The Company has various policies to support employee well-being. The important ones include the Policy for prevention of sexual harassment, leave policy, health insurance policy, term insurance, policy on maternity benefits for female employees, policy for ensuring safety of women at workplace, policy on training and education of employees, policy on providing loans to the employees including home loans, car loans etc.
P4	**Stakeholder's Engagement**	The Company's CSR Policy, Fair practice code and Customer Grievance Redressal mechanism guide this principle.
P5	**Human Rights**	The Company's Policy on Code of Conduct, Whistle Blower mechanism and Policy on Sexual Harassment which encourage a workplace environment which is free from any kind of human rights violations.
P6	**Protection of Environment**	The Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.
P7	**Public Advocacy**	While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.
P8	**Inclusive Growth and Equitable Development**	The Company's CSR Policy ensures that the organisation does not remains only to make profit but taking business beyond and ensures socially responsible approach in coordination with different stakeholders for the common good and demonstrates its commitment by adoption of appropriate strategies and projects. Thus, Company aims at contributing to the social and economic development of the community through a series of interventions to mainstream economically and socially disadvantaged communities and groups and to bring them into the cycle of development and empowerment. The Company has aligned its CSR programmes with the developmental agencies with an objective of bringing about a radical transformation in the lives of the communities and integrating them into the mainstream development process of the country. Given the approach, CSR's activities have been clubbed in three broad areas: Sustainable Livelihood and Women Empowerment, Healthcare, Education and Infrastructure (including community development).
P9	**Customer's Value**	The Fair Practice Code, Code of Conduct, Customer Grievance Redressal Mechanism, Whistle Blower Policy etc. which have been laid down shall provide a facility to its customers, shareholders and others to record their grievances/ feedback.

Notes:

a. The policies have been formulated based in accordance with the applicable laws and regulations and through appropriate consultation with relevant stakeholders and after considering the best practices adopted by the industry.

b. Include a combination of internal policies of the Company which are accessible to all internal stakeholders and are not accessible to the public. The policies are placed on the Company's website. The hyperlink is https://www.capriglobal.in/policies/

c. The policies of the Company are internal documents and are not accessible to the public.

d. The policies are internally evaluated by various department heads, business heads and the management.

3. Governance related to Business Responsibility:

a. Indicate the frequency with which the Board of Directors, Committee of the Board assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year

The executive directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The Corporate Social Responsibility Committee oversees and review the Company's Business Responsibility performance. The Corporate Social Responsibility Committee meets at least annually for implementation of Corporate Social Responsibility and Business Responsibility initiatives undertaken by the Company.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company has prepared its first Business Responsibility Report (BRR). The BRR forms part of the Annual Report 2019-20 and is available on the Company's website. The hyperlink is www.capriglobal.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/ joint ventures/suppliers/contractors/NGOs/others?

Yes. CGCL considers ethical practices as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Anti Money Laundering Policy, KYC Policy, Whistle Blower Policy, Fair Practices Code Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment which governs the conduct of the employees as well as Directors of the Company.

The Whistle Blower Policy specifically covers issues related to ethics, bribery and corruption which has helped it not only gain the tremendous confidence and trust of its stakeholders but also market leadership. The said policy is available on the website of the Company at www.capriglobal.in

CGCL ensures compliance of ethical standards not only by its employees but also by its vendors, contractors etc. through appropriate clauses in the work contract signed with them.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

Details of the stakeholder complaints received during the Financial Year 2019-20 and pending as on March 31, 2020 are as under

Sl. No.	Nature of Complaints	No. of complaints received during the Year	No of complaints resolved	% of Complaints resolved
1	Complaints/ queries received from loan customers	43	43	100%
2	Investor complaints	1	1	100%

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

CGCL is a non-banking financial company and is not engaged in the business concerning design of products / services that could raise social concerns, economic risks and/or hazardous opportunities. Hence, the said principle may not be strictly applicable to CGCL. However, CGCL through its products such Construction Finance Loans and MSME Loans is contributing positively to the socio-economic development. CGCL has Fair Practices Code Policy in place which aims to promote a culture where all efforts are directed towards providing good quality and safe products to all the customers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's focus is to maintain the highest standards of safety and sustainability in its services offered in alignment to Company's goals. The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/ online mode. Vendors are paid through NEFT/RTGS mode.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode. Vendors are paid through NEFT/RTGS mode.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
   The Company has its presence all over India and has a practice of purchasing goods and services required for its operations from local suppliers. The Company is progressing more towards digital transactions.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**
   The Company is into financing business and as such no waste or recycle products are generated.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1	Total Number of Permanent Employees	1,434
2	Number of Employees on Temporary / Contractual / Casual Basis	4
3	Number of Permanent Women Employees	66
4	Permanent Employees with disabilities	Nil
5	Is there an Employee association that is recognized by management?	No
6	Percentage of permanent employees that are members of this recognised employee association	Not Applicable

1. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child Labour/Forced Labour, Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment Practices	Nil	Nil

2. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**
   CGCL has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programs. There is Culture Management Department that ensures that employees are sufficiently trained in functional and behavioural skills to ensure high standards of service to internal and external stakeholders. These training programs are based on the needs identified, competency or job specific knowledge, skills and attitude gaps identified during the performance appraisal process and through discussions. At times, customer feedback also acts a base to identify learning and development needs.

PRINICIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. **Has the Company mapped its internal and external stakeholders?**
   Yes. The Group engages with various stakeholders viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc., on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**
   Yes, CGCL has identified the disadvantaged, vulnerable and marginalised stakeholders through community visits, household visits and socio-scientific needs assessments in under-resourced areas. The Company engages with these stakeholders through structured development initiatives, undertaken through its Corporate Social Responsibility (CSR) projects.

   Further, through its subsidiaries the Company fully endorses and supports the government's endeavour towards its flagship scheme, "Affordable Housing for All". Towards this goal, the Company has given housing loans to customers categorised as 'economically weaker sections' and 'low income group', under various schemes of the government and is registered as preferred lending partner with National Housing Bank for CLSS scheme of government of India..

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?**
   CGCL fully endorses and supports the new surrogate method devised to gauge credit worthiness of the under-served customer segments. Lack of formalised documentation should not be a deterrent in financial inclusion towards its flagship scheme, "Unlocking Potentials, Empowering People". Towards this goal, the Company has extended credit to these MSMEs, without diluting credit norms. Additionally, CGCL undertakes the CSR projects through Capri Foundation registered under Bombay Public Trust Act, 1950.

   Following are some of the Key Projects undertaken as a part of CSR initiative

   a. Sustainable Livelihood for Women Empowerment
   b. Health and Nutrition Initiative
   c. Water, Sanitation and Hygiene Initiative
   d. Education Initiative
   e. Sustainable Environment Initiative
   f. Disaster Response and Risk reduction Initiative

The CSR interventions are focused on enhancing quality of life of the community in the vicinity of business locations by way of improving community generating sustainable livelihood, healthcare and education. During the Financial Year ended March 31, 2020, CSR initiative has reached to 27000+ beneficiaries across the states.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Corporation on human rights cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

   Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organisation. CGCL has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, fair practice code, etc., which ensures that there are no violation of human rights in its conduct of business.

   CGCL adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment etc and guidelines of the Constitution of India, national laws and policies and treats all its stakeholders and customers with dignity, respect and due understanding. CGCL strives to be just, patient and understanding while dealing with delinquent customers who have availed MSME, housing loans, etc. CGCL has also put in place an internal culture and work ethics where delinquent customers are treated with fairness. CGCL is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., an outside vendor, consultant, supplier or client are also expected to comply with principles of human rights in all respects.

   While the key subsidiary of the Company have their own independent policies, they all respect and promote human rights.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year under review, the Company did not receive any complaint in the nature of human rights violation from any stakeholder.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy relate to Principle 6 cover only the company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?**

   Given that the Company is Non-Banking Finance Company, the applicability of the aforesaid principles is limited. However, the Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?**

   Yes. The Company strives towards imbibing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. The Company tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records electronically, etc. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises. The Company also encourages its retail customers to use digital services thereby reducing paper prints.

3. **Does the company identify and assess potential environmental risks?**

   The Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   Although the Company is cognizant of environmental related issues, it does not have any direct project related to clean development mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?**

   CGCL promotes ecological sustainability and green initiatives by use of energy efficient resources. The Company also encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

   The above actions of the Company will contribute towards saving environment by reduction in usage of resources.

6. **Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Company complies with requisite environmental regulations in respect of its premises and operations.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There were no show cause/ legal notices received from CPCB/ SPCB during the Financial Year 2019-20.

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

   CGCL is a member of various industry bodies and trade associations such as:

   a. Confederation of Indian Industry;

   b. Indian Merchants Chamber;

   c. Bombay Chambers of Commerce and Industry

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

   The participation of the Company with various associations helps to understand the industry wide issues and thus help to contribute in development of policies that are beneficial to the stakeholders. CGCL may share its expertise to help in formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have specific policy for this purpose.

   CGCL supports and participates in various discussions and initiatives taken by the government, regulators and the above associations in the light of changing business environment for economic development and advancement of financial services industry.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   Yes. CGCL undertakes several projects that are focused on social development. In Financial Year 2019-20, the Company promoted inclusive growth by focusing primarily on three social sector areas, namely:

   (i) Skilling & Livelihood

   a. Providing assistance to women and unskilled to acquire skills leading to employability;

   b. Women farmers are being trained and channelized for contract farming;

   c. Women trained on financial Literacy; and

   d. Livelihood Initiative by training the women vendors

   (ii) Education

   a. Providing scholarships to support meritorious students; and

   b. School adoption Initiative

   (iii) Healthcare & Nutrition

   a. Reduce the rate of Malnutrition among children

   b. Promotion of holistic health among children

   c. Promote proportion of ideal height and weight among children

   d. Promotion of hygiene behaviour among women and adolescent girls especially during menstruation

   e. Promotion of awareness in community on appropriate nutrition and hygiene practices.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?**

   CGCL undertakes social welfare activities as a part CSR initiative from time to time.

3. **Has the company done any impact assessment of its initiative?**

   In coordination with implementing organisations, CGCL conducts impact assessment of all the respective projects which have completed minimum one year of the execution. CGCL, has directed all the partners to ensure that the proposed impact assessments should be mandatorily conducted by the third party.

4. **What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   In Financial year 2019-20, CGCL has spent towards CSR Budget for an amount computed in accordance of Section 135 of the Companies Act, 2013 and Rules made thereto in the activities/ areas as mentioned in Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2019-20 attached as **Annexure-III.**

5. **Has the company taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Projects are designed based on the assessment of community needs. The Initiatives taken by CGCL are regularly monitored through follow-up with the partnering organisations, site visits to monitor the programme, consultations/ feedback from the community and progress reports for the activities undertaken by the project. Regular interaction with the partnering organisation and the community has helped in ensuring that best practices are adopted and also addressing any challenges for the successful implementation of such initiatives.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as at the end of the financial year?**
   The Company has resolved 100% of complaints received from customers and investor received during the year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks**
   Since the Company is engaged in offering financial services, the above question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are complied with as per the extant Regulatory norms.

   CGCL has always believed in being transparent with its customers by providing all the relevant details. CGCL also has document such as 'Most Important Terms and Conditions' which is displayed prominently in each office with information on service charges, interest rates, product information, service standards for various transactions and grievance redressal mechanisms. The same has also been updated at the website of the Company at https://www.capriglobal.in/fees-charges/ and https://www.capriglobal.in/document-checklist/.

   Further, whenever the interest rates are changed by the Company, proper communication informing the said change is sent to all loan customers.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   None

4. **Did the company carry out any consumer survey/ consumer satisfaction trends?**
   The Company has not carried out any formal consumer survey to map consumer satisfaction.

   The Company seeks to provide quality goods and services to all its customers. The Company core objective is to continuously research, identify and make available new products and categories to fulfil customers everyday needs at the best value and unique solutions as per their expectations. The Company has Code of Conduct Policy and fair practice code to deal with its customers. It has strong emphasis on excellence in customer service following the regulatory guidelines at all time for dealing with its customers.

   The Company has complaint/ grievance redressal mechanism for customers and compliance and resolutions thereof within prescribed timelines.

Annexure - VI

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors,
Capri Global Capital Limited
Mumbai

Dear Sirs and Madam,

We, **Rajesh Sharma**, **Managing Director** and **Ashish Gupta**, **Chief Financial Officer** of the Company, do hereby certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

   i. there has not been any significant change in internal control over financial reporting during the year under reference;

   ii. there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in company's internal control system over financial reporting.

for **Capri Global Capital Limited**

Sd/-	Sd/-
Rajesh Sharma	**Ashish Gupta**
Managing Director	Chief Financial Officer

Place: Mumbai
Date: May 9, 2020

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance of Capri Global Capital Limited (hereinafter referred as "**CGCL and/or the Company**") as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("**the SEBI Listing Regulations**") is given below:

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At CGCL, it is imperative that the corporate affairs are managed in a fair and transparent manner for enhancing long-term shareholder value and retaining investor trust.

We, at CGCL, ensure that we evolve and follow the best corporate governance practices. We consider it as inherent responsibility to disclose timely and accurate information regarding the performance as well as the leadership and governance of the Company. The Company's philosophy on Corporate Governance is to ensure fairness to the Stakeholders through timely and transparent disclosures, equitable treatment of all shareholders and empowerment of employee and collective decision making.

Your Company has adopted various codes and policies to carry out the duties and functions in most ethical and compliant manner. The Company has adopted best practices mandated in SEBI Listing Regulations, the Companies Act, 2013 (hereinafter referred to as "**the Act**"), RBI Directions and all other applicable rules and regulations.

Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

2. BOARD OF DIRECTORS

2.1. As of March 31, 2020, the Board of Directors (the 'Board') has six members of which five were Independent Directors. The profiles of Directors can be found at https://www.capriglobal.in/team/. The composition of the Board is in accordance with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

2.2. Mr. T. R. Bajalia (DIN:02291892), Non-Executive Independent Director of the Company has resigned as Director w.e.f. December 19, 2019 for personal reasons and other commitments and also confirmed that there were no other material reasons other than those provided.

2.3. None of the Directors on the Board holds directorship in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.

2.4. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

2.5. Four board meetings were held during the year on May 3, 2019, August 2, 2019, November 8, 2019 and February 11, 2020. The gap between two meetings did not exceed one hundred and twenty days.

2.6. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below.

			No. of Board Meetings			Number of Directorships in other Public Companies[1]				Number of committee positions held in other public companies[2]		
Name of Director	DIN	Category in the Company	Held during their tenure	Attended	Attendance at the last AGM	Listed	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	No. of equity shares held in CGCL as on March 31, 2020
Mr. Rajesh Sharma	00020037	Managing Director*	4	4	Yes	0	NA	NA	1	NIL	NIL	500
Mr. Beni Prasad Rauka	00295213	Non-Executive & Independent Director	4	4	Yes	1	Indergiri Finance Limited	Non-Executive & Non-Independent Director	3	1	2	NIL
Ms. Bhagyam Ramani	00107097	Non-Executive & Independent Director	4	3	No	3	Gujarat Sidhee Cement Limited Saurashtra Cement Limited Lloyds Metals and Energy Limited	Non-Executive & Independent Director	4	0	2	NIL
Mr. Mukesh Kacker	01569098	Non-Executive & Independent Director	4	4	Yes	0	NA	NA	2	0	0	NIL
Mr. Ajay Kumar Relan	00002632	Non-Executive & Independent Director	4	4	Yes	4	Hindustan Media Ventures Limited Next Mediaworks Limited HT Media Limited Digicontent Limited	Non-Executive & Independent Director	2	4	7	NIL
Mr. Ajit Mohan Sharan[3]	02458844	Non-Executive & Independent Director	3	3	Yes	1	Dabur India Limited	Non-Executive & Independent Director	1	0	1	NIL
Mr. Quintin E. Primo III[4]	06600839	Non-Executive & Independent Director	1	1	NA	0	NA	NA	NA	NIL	NIL	NIL
Mr. T. R. Bajalia[5]	02291892	Non-Executive & Independent Director	3	3	Yes	1	India Steel Works Limited	Non-Executive & Independent Director	3	1	4	NIL

* Mr. Rajesh Sharma, Managing Director is also the Promoter of the Company.

[1]Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

[2]The information pertaining to the chairmanships/memberships of Committees of the Board held by the directors includes only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

[3]Mr. Ajit Mohan Sharan appointed as a Director of the Company with effect from June 1, 2019

[4]Mr. Quintin E. Primo III ceased to be a Director of the Company with effect from June 1, 2019

[5]Mr. T. R. Bajalia ceased to be a Director of the Company with effect from December 19, 2019

2.7. During the Financial Year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

2.8. During the Financial Year 2019-20, an Independent Directors meeting was held on May 3, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

2.9. In accordance with Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, the Board has identified the following skills/expertise/ competencies as required in the context of its business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

			Name of Directors having Skills/Expertise/Competence					
Sl. No.	Particulars	Skills/Expertise/Competence	Mr. Rajesh Sharma	Mr. Beni Prasad Rauka	Ms. Bhagyam Ramani	Mr. Mukesh Kacker	Mr. Ajay Kumar Relan	Mr. Ajit Mohan Sharan
1	**Knowledge**	Industry knowledge/experience & technical expertise	√	√	√	√	√	√
		Understanding methods of strategic analysis, Company's strategic objectives, and changes of relevance to the Company's strategy and future direction	√	√	√	√	√	√
		Corporate Governance: Understanding the roles and responsibilities of a Board member within the larger governance framework	√	√	√	√	√	√
		Risk: Knowledge and experience of risk management models	√	√	√	√	-	√
2.	**Skills**	Strategic thinking and decision making	√	√	√	√	√	√
		Interpersonal skills	√	√	√	√	-	√
		Leadership	√	√	√	√	-	√
		Analysis and Reporting	√	√	√	√	-	√
		Ability to determine appropriate levels of remuneration of Executive Directors, KMPs and play a prime role in appointing and where necessary, recommending removal of Executive Directors and KMPs	√	√	√	√	-	√
		Ability to oversee strategic Human resource management	√	√	-	√	-	√
3	**Mind-set**	Ethics	√	√	√	√	√	√
		Commitment	√	√	√	√	√	√
		Instinct & Business Acumen	√	√	-	√	√	√
		Independent and Awareness (self and other) – ability to display independence by willing to disagree and take an independent stance in the face of dissenting views	√	√	√	√	√	√

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being a Non-Banking Finance Company, the Company's business runs across different industry verticals and geographical markets. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

2.10 In terms of Regulations 25(7) and 46 of SEBI Listing Regulations, the details of the familiarization programme imparted to Independent Directors are available on the Company's website at https://www.capriglobal.in/policies/

3. COMMITTEES OF THE BOARD

The Committees of the Board play an important role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference.

A. Audit Committee

Composition

An Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Master Direction-Non-Banking Financial Companies–Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, Section 177 of the Act and in accordance with Regulation 18 of SEBI Listing Regulations. As on March 31, 2020, the Audit Committee comprised of three (3) Members, all of whom are Non-Executive Independent Directors, financially literate and possesses accounting and related financial management expertise. The Chairman of the Audit Committee is a Non- Executive Independent Director and was present at last year's Annual General Meeting held on August 2, 2019.

Terms of Reference

The Broad terms of reference of the Audit Committee, inter alia, includes the following:

a. oversee the Company's financial reporting process and disclosure of its financial information;

b. recommend appointment, remuneration and terms of appointment of auditors of the Company;

c. approve payment to statutory auditors for any other services rendered by them;

d. review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:

    i. matters to be included in Director's Responsibility Statements to be included in Board's report;

    ii. any changes in accounting policies and practices;

    iii. major accounting entries involving estimates based on the exercise of judgment by management;

    iv. significant adjustments resulting from the audit findings;

    v. compliance with listing and other legal requirements relating to financial statement;

    vi. disclosure of related party transactions;

    vii. qualification in draft audit report.

e. review with the management, the quarterly financial statement before submission to the Board for their approval;

f. recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;

g. discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;

h. review the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;

i. consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

j. consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;

k. discuss significant findings with internal auditors and initiate follow up action thereon;

l. look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

m. review performance of statutory and internal auditors and adequacy of internal control systems;

n. approve transaction with related parties and subsequent modification to terms of contract/transaction;

o. scrutinize inter-corporate loans and investments;

p. valuation of any of the undertakings or assets as and when necessary;

q. evaluate adequacy of internal financial control and risk management system;

r. review with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;

s. approve appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;

t. review functioning of the Whistle Blower Policy;

u. carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.

v. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Meeting and Attendance

During the year under review, the Audit Committee met five (5) times viz. on May 3, 2019, July 12, 2019, August 2, 2019, November 8, 2019 and February 11, 2020. The required quorum was present for all the Audit Committee meetings. Two (2) Committee Meetings did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations.

Composition of the Audit Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairman	5	5
Ms. Bhagyam Ramani	Member	5	3
Mr. Mukesh Kacker	Member	5	4
Mr. T.K Bajalia[6]	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee is duly constituted in accordance with Section 178 of the Act and in accordance with Regulation 19 of SEBI Listing Regulations. As on March 31, 2020, the Nomination and Remuneration Committee comprised of Three (3) Members, all of whom are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is a Non- Executive Independent Director.

Terms of Reference

The Broad terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

a. assess that a person to be appointed as Director is 'fit and proper' and fulfils the set criteria as may be required by the Company;

b. review & recommend to the Board on the structure and composition of the Board of Directors of the Company;

c. evaluate the eligibility of an individual on the basis of his/ her qualification, positive attributes, independence and past experience, for appointment and removal as whole-time director/managing director/senior management of the Company and advising the Board of Directors/ Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;

d. review, recommend and /or approve the remuneration that can be offered to the proposed whole-time director/ managing director/non-executive director/ senior management of the Company;

e. evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment;

f. review, recommend and /or approve the modification in the remuneration of the Whole-time director/ managing director/manager/ non-executive director and senior managerial personnel;

g. formulate remuneration policy relating to directors, key managerial personnel and other senior managerial employees of the Company;

h. evaluate performance of directors with respect to their role as Independent Director and Board members;

i. implement and administer the Employee Stock Option Scheme.

Meeting and Attendance

During the year under review, Nomination and Remuneration Committee met three (3) times viz. on April 27, 2019, November 7, 2019 and February 11, 2020. Composition of the Nomination and Remuneration Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairman	3	2
Mr. Beni Prasad Rauka	Member	3	3
Mr. T. R. Bajalia[7]	Member	2	2
Mr. Ajit M Sharan[8]	Member	1	1

The Company Secretary acts as the Secretary to the Committee.

[6]Mr. T. R. Bajalia ceased to be a Director of the Company with effect from December 19, 2019

[7] Mr. T. R. Bajalia ceased to be a Director of the Company with effect from December 19, 2019

[8] Mr. Ajit M Sharan appointed as Director of the Company with effect from June 1, 2019

Nomination and Remuneration Policy

The Board of Directors of the Company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter-alia, to deal with the manner of selection of Board of Directors and KMP and their remuneration. The Policy is annexed as Annexure to this Report.

Director Remuneration:

Sl. No.	Name of the Director	Sitting Fees for attending Board & Committee Meetings	Salary and Perquisites	Incentive/ Bonus	Total
1.	Mr. Rajesh Sharma	Nil	24,00,000	Nil	24,00,000
2.	Mr. Beni Prasad Rauka	10,05,000	N.A	N.A	10,05,000
3.	Ms. Bhagyam Ramani	7,20,000	N.A	N.A	7,20,000
4.	Mr. Mukesh Kacker	6,00,000	N.A	N.A	6,00,000
5.	Mr. Ajay Kumar Relan	3,00,000	N.A	N.A	3,00,000
6.	Mr. T. R. Bajalia[9]	6,45,000	N.A	N.A	6,45,000
7.	Mr. Ajit Mohan Sharan[10]	2,55,000	N.A	N.A	2,55,000
8.	Mr. Quintin E. Primo III[11]	1,34,400	N.A	N.A	1,34,400

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company. None of Directors have been granted any stock options under the scheme. The Managing Director of the Company is not entitled to stock options under the scheme.

Service contract, Severance fees and Notice Period

Mr. Rajesh Sharma was appointed as the Managing Director of Capri Global Capital Limited for a period of five years effective from July 4, 2018 to July 3, 2023. His remuneration for the Financial Year 2019-20 comprises of all-inclusive salary of ₹ 24,00,000/-. His appointment may be terminated by giving three months' notice on either side and no severance fees is payable.

Performance Evaluation of the Board, Directors and Committees of the Board

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee is duly constituted by the Board of Directors in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprised of three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Stakeholders Relationship Committee is a Non- Executive Independent Director and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference

The Broad terms of reference of the Stakeholders Relationship Committee, inter alia, includes the following:

a. oversees the redressal of security holder and investors' complaints/grievances pertaining to transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of securities and other miscellaneous complaints;

b. oversee the performance and service standards of the Registrar and Share Transfer Agent and recommends measures to improve level of investor services;

c. Review of measures taken for effective exercise of voting rights by shareholders;

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

[9] Mr. T. R. Bajalia ceased to be a Director of the Company with effect from December 19, 2019

[10] Mr. Ajit M Sharan appointed as Director of the Company with effect from June 1, 2019

[11] Mr. Quintin E. Primo III ceased to be a Director of the Company with effect from June 1, 2019

Meeting and Attendance

During the year under review, Stakeholders Relationship Committee met three (3) times viz. on August 1, 2019, November 7, 2019 and February 11, 2020. Composition of the Stakeholders Relationship Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairman	3	3
Ms. Bhagyam Ramani	Member	3	2
Mr. Rajesh Sharma	Member	3	3

The Company Secretary of the Company acts as the Secretary to the Committee.

Number of Grievances:

There were 2 (Two) complaints received during the year under review. All the Complaints received were promptly resolved and there was no outstanding complaint as on March 31, 2020.

Name and Designation of Compliance Officer

Mr. Abhishekh Kanoi, Vice President & Group Company Secretary
502, Tower – A, Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400013.
Tel. No.: 022 – 4354 8125
Email: compliance.officer@capriglobal.in

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with Section 135 of the Act. As on March 31, 2020, the CSR Committee comprised of Three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the CSR Committee is a Non-Executive Independent Director.

Terms of Reference

The Broad terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;

b. to recommend the amount of expenditure to be incurred on the CSR activities; and

c. to monitor the implementation of the CSR Policy of the Company from time to time.

Meeting and Attendance

During the year under review, Corporate Social Responsibility Committee met Two (2) times viz. on August 1, 2019 and November 7, 2019. Composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairman	2	2
Mr. Beni Prasad Rauka	Member	2	2
Mr. Rajesh Sharma	Member	2	2

The Company Secretary acts as the Secretary to the Committee.

E. Risk Management Committee

The Risk Management Committee duly constituted in accordance with RBI Guidelines on Corporate Governance dated May 8, 2007 in respect of all non-deposit taking NBFCs with asset size of Rs 100 crores and above (NBFC-ND-SI) and Regulation 21 of SEBI Listing Regulations. As on March 31, 2020, the Risk Management Committee comprised of Three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Risk Management Committee is a Managing Director of the Company and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference:

The Broad terms of reference of the Risk Management Committee, inter alia, includes the following:

a. Review of operational risk, information technology risk and integrity risk;

b. Taking strategic actions to mitigate the risk associated with the nature of the business;

c. Appraising the Board of Directors at regular intervals regarding risk management policy and strategy;

d. To oversee the functioning of asset liability management committee.

Meeting and Attendance

During the year under review, Risk Management Committee met three (3) times viz. on August 1, 2019, November 7, 2019 and February 8, 2020. Composition of the Risk Management Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Rajesh Sharma	Chairman	3	2
Mr. Beni Prasad Rauka	Member	3	3
Ms. Bhagyam Ramani	Member	3	3
Mr. T. R. Bajalia[12]	Member	2	2

The Company Secretary of the Company acts as the Secretary to the Committee.

[12]Mr. T. R. Bajalia ceased to be a Director of the Company with effect from December 19, 2019

4. GENERAL BODY MEETINGS

A. The details of Annual General Meeting ("AGM") held during the last 3 years along with the details of the special resolutions passed there are as under:

Financial Year	Date and Time	Venue	Special Resolution passed
2016-17	July 17, 2017, 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of Paid- up Capital & Free reserves upto ₹ 3,000 crores; • Mortgage / Create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹ 750 Crores; • Enable conversion of loan into equity; • Adoption of Articles of Association of the Company.
2017-18	August 2, 2018 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of paid-up capital and free reserves upto ₹ 4,000 crores; • Mortgage / create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹ 1,000 crores; • Enable conversion of loan into equity
2018-19	August 2, 2019 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of paid-up capital and free reserves upto ₹ 6,500 crores; • Mortgage / create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹ 1,000 crores; • Re-appointment of Mr. Beni Prasad Rauka as an Independent Director • Re-appointment of Ms. Bhagyam Ramani as an Independent Director • Re-appointment of Mr. Mukesh Kacker as an Independent Director • Re-appointment of Mr. T. R. Bajalia as an Independent Director • To amend the main object clause of Memorandum of Association of the Company • Approval for raising of funds by way of issue of securities through Qualified Institutions Placement (QIP)

B. Postal Ballot

No postal ballot was conducted during the Financial year 2019-20. None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

5. MEANS OF COMMUNICATION

The quarterly/half yearly/annual results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep). The Company also issues press releases from time to time. The quarterly/half yearly/annual results/press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company at www.capriglobal.in. A Management Discussion and Analysis Report is a part of this Annual Report.

GENERAL SHAREHOLDERS' INFORMATION

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the SEBI Listing Regulations"), the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

A. Annual General Meeting

Day	Friday
Date	July 31, 2020
Time	4:00 P.M
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial Calendar (Tentative)	
Audited Annual Results of previous year ended March 31, 2020	April 1, 2020 to March 31, 2021
Financial Year	April 1 to March 31
Book Closure Dates	Saturday, July 25, 2020 to Friday July 31, 2020
Listing of Equity Shares at Stock Exchanges	1. BSE Limited Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. Tel No: - +91-22-22721233/1234 Fax No:- +91-22-22721919 2. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No- C Block, G Block, Bandra Kurla Complex, Mumbai-400 051. Tel No: - +91-22-26598100/8114 Fax No: - +91-22-26598120
Stock Codes	BSE: 531595 NSE: CGCL
ISIN Number	INE180C01026(Equity Shares) INE180C07023 (Non-Convertible Debentures)
Corporate Identification Number (CIN)	L65921MH1994PLC173469

The Annual Listing Fees for the financial year 2020-21 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within prescribed time.

B. Dividend

Dividend Payment Date	The final dividend, if approved by the shareholders shall be paid / credited on Wednesday, August 5, 2020

Address of General Correspondence	**Registered Office and Corporate Office of the Company**
Mr. Abhishekh Kanoi Vice President & Group Company Secretary & Compliance Officer Capri Global Capital Limited Email: compliance.officer@capriglobal.in	502, A Tower, Peninsula Business Park Lower Parel, Senapati Bapat Marg, Mumbai-400013 Tel. No. (022)–40888100

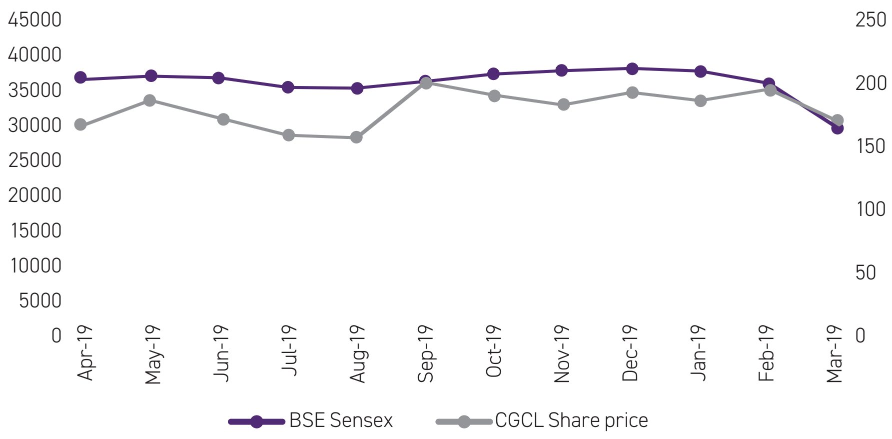
C. Market Price Data

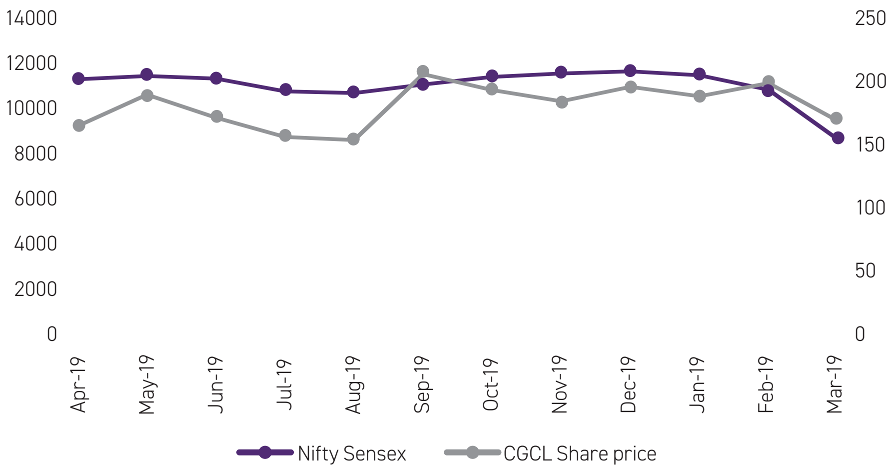
The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The monthly high and low share prices on both the exchanges for a period starting from April 2019 to March 2020 are as below:

	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	**High Price (₹)**	**Low Price (₹)**	**Volume**	**High Price (₹)**	**Low Price (₹)**	**Volume**
April 2019	192.15	155.00	57,86,461	192.85	157.75	1,44,36,536
May 2019	198.95	164.00	56,97,603	199.20	163.05	1,21,63,936
June 2019	194.85	155.70	48,95,265	195.45	155.00	99,28,762
July 2019	177.80	148.45	48,45,743	178.00	148.25	89,78,713
August 2019	174.90	149.10	41,63,674	174.95	149.00	77,86,870
September 2019	224.00	152.35	37,40,567	224.85	151.45	72,84,889
October 2019	220.70	192.65	37,80,888	221.00	185.95	66,01,325
November 2019	229.00	173.70	43,00,095	228.95	173.85	78,55,383
December 2019	207.60	175.25	41,51,614	209.90	175.15	75,28,180
January 2020	214.00	181.90	43,08,962	204.90	181.10	83,25,827
February 2020	230.00	191.50	38,13,494	230.00	189.55	70,07,526
March 2020	219.85	144.00	32,92,666	220.00	143.00	58,07,756

Sources: www.bseindia.com , www.nseindia.com

The Performance of the equity share price of the Company in comparison with Broad based Indices:





D. Registrar and Share Transfer Agents

Address for Investor Correspondence

For any assistance regarding dematerialization of shares, re-materialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

LINK INTIME INDIA PRIVATE LIMITED
Unit-Capri Global Capital Limited
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270; Fax: +91 (22) 49186060
Email: rnt.helpdesk@linkintime.co.in and mumbai@linkintime.co.in Web: www.linkintime.co.in

E. Share Transfer System

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under Regulation 40(9) of Listing Regulations and files a copy of the certificate with Stock Exchanges.

F. Distribution of Shareholding

	Shareholders		Equity Shares	
Category	**Number**	**Percentage (%)**	**Number**	**Percentage (%)**
1-500	3,849	84.87	4,31,242	0.25
501-1000	269	5.93	2,21,689	0.12
1001-2000	152	3.36	2,29,092	0.13
2001-3000	83	1.83	2,12,998	0.12
3001-4000	19	0.42	68,823	0.04
4001-5000	39	0.86	1,84,159	0.11
5001-10000	40	0.88	2,97,616	0.17
10001 and above	84	1.85	17,34,89,186	99.06
Total	**4,535**	**100**	**17,51,34,805**	**100**

G. Categories of Shareholders as on March 31, 2020

Category	No. of Equity Shares	Percentage of the total paid-up equity share capital (%)
Shareholding of Promoters and Promoters' Group:		
Promoters	4,59,00,835	26.21
Promoters' Group and Persons acting in concert including relatives	8,53,41,703	48.73
Total (A)	**13,12,42,538**	**74.94**
Public Shareholding		
Individuals	32,33,481	1.85
Banks and Financial Institutions	1,854	0.00
Bodies Corporate	3,39,53,826	19.39
Mutual Funds	4,154	0.00
Clearing Members	63,838	0.04
NBFC	8,050	0.00
HUF	5,31,274	0.30
IEPF	35,615	0.02
Non-resident Indians	53,583	0.03
Foreign Portfolio Investors	60,06,592	3.43
Total (B)	**4,38,92,267**	**25.06**
Total (A+B)	**17,51,34,805**	**100.00**

H. Dematerialisation of Shares and Liquidity

The Company's Shares are compulsorily traded in dematerialized form on NSE and BSE. Equity Shares representing 99.98 % of the Company's Equity Share Capital are dematerialised as on March 31, 2020. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE180C01026.

I. Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion and Likely Impact on Equity Capital

The Company has not issued any of the convertible instruments, hence there is no likelihood of any impact on the Equity Capital of the Company.

J. Credit Rating

Credit Analysis and Research Ltd. ("CARE") has re-affirmed ratings with respect to the credit facilities availed by the Company as follows:

Sl. No.	Nature of Borrowing	Amount (₹ Lakh)	Rating
1	Long Term Bank Facilities	3,90,000	CARE A+; Negative (Single A Plus; Outlook: Negative)
2	Non-Convertible Debentures	60,000	CARE A+; Negative (Single A Plus; Outlook: Negative)

Furthermore, Brickwork Rating India Pvt. Ltd. reaffirmed rating with respect to the bank facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ Lakh)	Rating
1	Cash Credit	12,000	BWR AA- (Pronounced as BWR Double A Minus) Outlook - Negative
2	Term Loans	4,50,000	
3	Non-Convertible Debentures	5,000	

In Infomerics assigned rating with respect to the bank / credit facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ Lakh)	Rating
1	Cash Credit	12,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
2	Term Loans	4,38,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
3	Non-Convertible Debentures	30,000	IVR AA- / Stable (IVR Double A Minus with Stable Outlook)
4	Commercial Papers	35,000	IVR A1+ (IVR A One Plus)

K. Branches

Company has 87 branches located at Maharashtra, Uttar Pradesh, Madhya Pradesh, Gujarat, Chhattisgarh, Karnataka, Rajasthan, Punjab, Delhi & Delhi NCR and Haryana.

6. DISCLOSURES

A. Code of Conduct

The Board of Directors have laid down a Code of Conduct ("the Code") for all Board Members, Key Managerial Personnel and Senior Management Personnel of your Company. The Code is posted on your Company's website at https://www.capriglobal.in/policies/

The members of the Board, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from the members of the Board and Senior Management.

B. Disclosure on Material Related Party Transactions

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the subsidiaries or relatives etc. that had potential conflict with the interests of the Company at large. A statement of summary of related party transactions as per requirements of Indian Accounting Standards – 24 is duly disclosed in the Notes to Accounts annexed to the Financial Statements.

C. Policies Determining Material Subsidiaries and Related Party Transactions

Pursuant to requirements of Regulation 16 and Regulation 23 of the SEBI Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at https://www.capriglobal.in/policies/

D. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. The Company has no foreign exchange receivable and payable as on March 31, 2020.

E. Details of Non-Compliance

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

F. Code of Conduct for Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at https://www.capriglobal.in/policies/.

G. Vigil Mechanism/Whistle Blower Policy

The Whistle Blower Mechanism (Vigil Mechanism) in the Company enables all the directors, employees and its stakeholders, to report concerns about unethical behaviour, report for leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism has provided adequate safeguards against victimisation of directors/ employees of the Company who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel has been denied access to this mechanism and to the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company at https://www.capriglobal.in/policies/

H. Compliance Certificate

- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by Maks & Co., Practicing Company Secretary is annexed to this Report.

- The Company has complied with mandatory requirements under the SEBI Listing Regulations. A Compliance Certificate on Corporate Governance to this effect, duly signed by Maks & Co., Practicing Company Secretary is annexed to this Report.

I. Total Fees Paid to Statutory Auditors

The total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries during the financial year 2019-20 is stated in Notes to financial statements, which forms part of this Annual Report.

J. There was no instance during financial year 2019-20 when the Board had not accepted any recommendation of any Committee of the Board.

K. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the Listing Regulations - NIL

L. Disclosure with respect to demat suspense account / unclaimed suspense account - Not Applicable

M. Details of Utilisation of Funds raised through Preferential Allotment and Qualified Institutional Placement

During the year under review, the Company has not raised funds either through Preferential Allotment or Qualified Institutional Placement.

N. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

O. Compliance with Mandatory/Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of corporate governance specified in Regulation 17 to Regulation 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the SEBI Listing Regulations and are being reviewed from time to time which are as follows:

1. **Audit Qualifications**

   During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

2. **The Board and separate posts of chairperson and chief executive officer**

   The Company does not have designated Chairperson appointed by the Board of Directors. The Chairman for the respective Board Meeting are appointed amongst the Independent Director present at the Meeting. Further, there is no Chairman Office being maintained by the Independent Director appointed as a Chairman for respective Board Meeting however, they are allowed for reimbursement of expenses spent in discharge of his/her duties.

3. **Reporting of Internal Auditor**

   The internal control systems of the Company are routinely tested and verified by Independent Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee.

4. **Shareholder's Right**

   The quarterly results of the Company are published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep) having wide circulation in Mumbai. Further, the quarterly results are also posted on the website of the Company at https://www.capriglobal.in/quarterly-financial-report/. In view of the forgoing, the half yearly results of the Company are not sent to the Shareholders individually.

P. Managing Director (MD) and Chief Financial Officer (CFO) Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

Annexure - I

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL AS REQUIRED PURSUANT TO SCHEDULE V OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive and Independent Directors. These Codes are available on the Company's website.

I, Rajesh Sharma, Managing Director of the Company, do hereby confirm that the Company has in respect of the year ended March 31, 2020, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct, as applicable to them.

for **Capri Global Capital Limited**

Sd/-
Rajesh Sharma
Managing Director
(DIN: 00020037)

Place: Mumbai
Date: May 9, 2020

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013, Maharashtra, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Capri Global Capital Limited, having CIN L65921MH1994PLC173469 and having registered office at 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, Maharashtra, India (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of Ministry of Corporate Affairs (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as applicable.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Ajay Kumar Relan	00002632	04/12/2018
2	Mr. Rajesh Sharma	00020037	15/05/2007
3	Mrs. Bhagyam Ramani	00107097	28/07/2012
4	Mr. Beni Prasad Rauka	00295213	12/01/2011
5	Mr. Mukesh Kacker	01569098	11/02/2012
6	Mr. Ajit Mohan Sharan	02458844	01/06/2019

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Sd/-
Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946
UDIN: F009565B000219104

Place: Noida
Date: May 9, 2020

Annexure - III

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
Capri Global Capital Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by **Capri Global Capital Limited** ("the Company"), for the financial year ended March 31, 2020 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MAKS & CO.**
Company Secretaries,
Firm Regn. No.: P2018UP067700

Sd/-
Mohit Maheshwari
Partner
CP No.: 19946
UDIN: F009565B000219082

Place: Noida
Date: May 9, 2020

Annexure - IV

NOMINATION AND REMUNERATION POLICY

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of Section 178 of Companies Act, 2013 including Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 [Listing Regulations].

1.1 OBJECTIVES

The Policy lays down the:

(i) Criteria for determining *inter-alia* qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other Employees of the Company.

1.2 DEFINITIONS

i. "**Board**" means Board of Directors of the Company.

ii. "**Company**" means "Capri Global Capital Limited."

iii. "**Employees' Stock Option**" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iv. A '**fit and proper** 'person shall mean an individual who is:

a. more than thirty years in age;

b. a graduate;

c. has minimum five years experience;

d. a person of integrity, reputation and character in the opinion of the Committee;

v. "**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.

vi. "**Key Managerial Personnel**" (KMP) means

a) Chief Executive Officer or the Managing / Executive Director or the Manager,

b) Company Secretary,

c) Whole-time Director,

d) Chief Financial Officer;

e) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

f) Such other officer as may be prescribed.

vii. "**Committee**" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

viii. "**Policy or This Policy**" means, "Nomination and Remuneration Policy."

ix. "**Managerial Person**" means the Managing Director, Whole-time Director and/or Manager.

x. "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

xi. "**Senior Management**" means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including Chief Executive Officer / Manager, in case they are not a part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

1.3 INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 APPOINTMENT AND REMOVAL OF MANAGERIAL PERSON, DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

i. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation / advice /recommendations of the respective Functional Heads / Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term / Tenure:

a) Managing Director/Whole-time Director/Manager (Managerial Personnel): The Company shall appoint or re-appoint a person as its Managerial Person for a term not exceeding five years at a time by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

iv. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director / Managing Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act') and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 DISQUALIFICATION FOR APPOINTMENT OF DIRECTORS

i. A person shall not be eligible for appointment as director of the company if:

a) he is of unsound mind and stands so declared by a competent court;

b) he is undischarged insolvent;

c) he has applied to be adjudicated as an insolvent and his application is pending;

d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

1) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;

2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;

3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:

a) has not filed financial statements or annual returns for any continuous period of three financial years; or

b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 REMUNERATION POLICY

Remuneration Policy of CGCL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Personnel and the Board of Directors.

The policy captures remuneration strategies, policies and practices of CGCL, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at CGCL

The Company adopts a total compensation philosophy in rewarding employees. The total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. **Fixed Component**: Consists of Basic Pay (Usually 40%-60% of the gross Fixed Salary).

ii. **Perquisites**: In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. **Retirement Benefits**: Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. **Severance payments**: In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. **Personal benefits**: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. **Medical Insurance** – Coverage of ₹ 5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. **Term Insurance** – Coverage between ₹ 50 Lacs to ₹ 1 Cr. based on the grade.

viii. **Variable pay** is linked to the below three factors:

  a) the financial results of the company;

  b) targets achieved;

  c) the individual performance and that of the department/team

ix. **Annual Performance Linked Bonus**: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

  a) In the beginning of the year the Board sets the organization performance objectives based on qualitative and quantitative measures.

  b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

  c) These objectives form part of the performance targets for the Managerial Personnel.

  d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-executive Directors including Independent Directors

The Non-Executive Directors / Independent Directors of the Company (who are not in the employment of the Company and /or its subsidiaries / associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013.

Commission, if any, payable to NEDs, may be paid in accordance with the provisions of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the sitting fees and shall be approved by the Board of the Company based on the recommendation of the Committee and the approval of the shareholders, as applicable.

The Non-Executive Directors / Independent Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 DEVIATIONS FROM THE POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 DISCLOSURES IN THE BOARD REPORT

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.

1.9 AMENDMENTS

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDEPENDENT AUDITORS' REPORT

To the Members of Capri Global Capital Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of Capri Global Capital Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

EMPHASIS OF MATTER

We draw attention to Note 33 to the Standalone Financial Statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's Standalone Financial Statements are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters (KAM) 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 Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Revenue Recognition:** The Company recognizes interest income using the effective rate of interest method ("EIR") as prescribed under IND AS 109. The recognition of Interest income as per the EIR requires computation involving the contractual interest rate and transaction costs. The completeness and accuracy of the interest income computed on EIR basis therefore is KAM. *Relevant reference in the Accounts :-* Accounting policies - Point no. 2.5 (i) Note 22 of the Standalone Financial Statements.	**Principal audit procedures performed:** We have tested the design and operating effectiveness of the controls directly associated with the calculation and reporting of interest income using EIR on loans to customers and tested a sample of loans and recomputed EIR interest income for those loans. We tested the portfolio level computations of interest income on EIR basis and traced the total EIR income to the Standalone Financial Statement.
2	**Impairment of loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, and • Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:	**Principal audit procedures performed:** We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, multiple economic scenarios, individual provisions and production of journal entries and disclosures.

Sr. No.	Key Audit Matter	Auditors' Response
	• Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars; • Accounting interpretations, modelling assumptions and data used to build and run the models; • Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios; • Inputs and Judgements used in determination of Management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and • The disclosures made in Financial Statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer Note 33 to the Standalone Financial Statements.	We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2020 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. For exposure determined to be individually impaired, we tested a samples of loans and advances and examined Management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. We performed an overall assessment of the ECL provision levels at each stage including Management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk Management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "Reports"), but does not include the Standalone Financial Statements and our Auditors' Report thereon. The Reports are expected to be made available to us after the date of this Auditors' Report.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal financial 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 in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore KAM. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the 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 March 31, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the

Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in Note 47 to its Financial Statements as at March 31, 2020;

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFY7185

Place: Mumbai
Date: May 9, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Capri Global Capital Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFY7185

Place: Mumbai
Date: May 9, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title deeds, comprising of the immovable property of the Buildings is held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of buildings that have been taken on lease and disclosed as fixed asset in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regards to the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax and cess to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax and cess as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax which has not been deposited as on March 31, 2020 on account of disputes are given below:-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹)
Income Tax Act, 1961	Regular Assessment u/s 143(3) of the Act	CIT (Appeals)	AY 2017-18	29,01,192

There are no dues of Provident Fund, Employees' state insurance, and Goods and Service Tax as on March 31, 2020 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institution and dues to debenture holders. The Company has not taken any loan from government.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFY7185

Place: Mumbai
Date: May 9, 2020

BALANCE SHEET

As at March 31, 2020

(₹ in Lakh)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	4,633.74	2,669.09
(b)	Bank Balances other than above	4	823.54	829.23
(c)	Receivables	5	176.69	455.25
(d)	Loans	6	305,566.73	324,627.45
(e)	Investments	7	42,363.70	18,750.70
(f)	Other financial assets	8	161.54	161.96
Total Financial Assets			**353,725.94**	**347,493.68**
(2)	**Non-Financial assets**			
(a)	Current Tax Assets (Net)	9	870.84	598.53
(b)	Deferred tax assets (Net)	10	1,201.21	1,914.27
(c)	Property, plant and equipment	11	637.83	839.82
(d)	Other intangible assets		2,260.72	171.46
(e)	Intangible Assets Under Development		19.70	8.17
(f)	Other non-financial assets	12	1,638.28	2,159.32
Total Non-Financial Assets			**6,628.58**	**5,691.57**
Total Assets			**360,354.52**	**353,185.25**
EQUITY AND LIABILITIES				
Liabilities				
(1)	**Financial Liabilities**			
(a)	Payables			
	Trade Payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,022.33	1,085.13
(b)	Debt Securities	14	15,000.00	4,994.84
(c)	Borrowings (Other than Debt Securities)	15	191,229.92	204,238.22
(d)	Other financial liabilities	16	2,854.83	6,645.26
Total Financial Liabilities			**210,107.08**	**216,963.45**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	17	1,169.57	142.28
(b)	Provisions	18	736.57	674.31
(c)	Other non-financial liabilities	19	79.58	258.12
Total Non-Financial Liabilities			**1,985.72**	**1,074.71**
Total liabilities			**212,092.80**	**218,038.16**
(3)	**Equity**			
(a)	Equity Share Capital	20	3,502.70	3,502.70
(b)	Other equity	21	144,759.02	131,644.39
Total equity			**148,261.72**	**135,147.09**
Total equity and liabilities			**360,354.52**	**353,185.25**

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2020

(₹ in Lakh)

	Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
REVENUE FROM OPERATIONS				
(i)	Interest Income	22	54,347.78	46,290.60
(ii)	Dividend Income		27.33	52.25
(iii)	Fees and commission Income	23	289.12	383.99
(iv)	Net gain on fair value changes	24	941.82	315.75
(v)	Other operating income	25	2,217.39	2,933.21
(I)	**Total Revenue from Operations**		**57,823.44**	**49,975.80**
(II)	**Other Income**	26	392.71	433.50
(III)	**Total Income (I+II)**		**58,216.15**	**50,409.30**
EXPENSES				
(i)	Finance costs	27	21,597.24	16,989.11
(ii)	Net loss on fair value changes	24 A	624.12	200.85
(iii)	Impairment on financial instruments (Expected Credit Loss)	28	2,651.70	739.64
(iv)	Employee benefit expense	29	9,758.23	9,743.15
(v)	Depreciation and amortisation expense	11	847.20	487.86
(vi)	Other expenses	30	3,776.09	4,511.11
(IV)	**Total expenses**		**39,254.58**	**32,671.72**
(V)	**Profit before Tax (III-IV)**		**18,961.57**	**17,737.58**
	Tax expense			
	- Current tax		5,263.30	5,290.00
	- Deferred tax		51.12	(420.25)
	- Tax Pertaining to earlier years		74.66	-
(VI)	**Total tax expense**		**5,389.08**	**4,869.75**
(VII)	**Net Profit After Tax**		**13,572.49**	**12,867.83**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	31	39.13	6.62
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(9.85)	(1.93)
	Other Comprehensive Income		29.28	4.69
(IX)	**Total comprehensive income (VII+VIII)**		**13,601.77**	**12,872.52**
(X)	**Earnings per equity share**			
	Basic (₹)		7.75	7.35
	Diluted (₹)		7.70	7.31

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

CASH FLOW STATEMENT

For the year ended March 31, 2020

(₹ in Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
OPERATING ACTIVITIES		
Profit before tax from continuing operations	18,961.57	17,737.58
Profit before tax	18,961.57	17,737.58
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS:		
Depreciation & amortisation	847.20	487.86
Impairment on financial instruments	2,651.70	739.64
Net loss on financial asset designated at FVTPL	568.92	200.85
Loss/(Gain) on sale of Fixed Assets	29.87	(7.62)
Share Based Payments to employees	272.97	195.06
Dividend income	(27.33)	(52.25)
Interest on Leased Assets	238.67	-
Operating Profit before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**23,543.57**	**19,301.12**
WORKING CAPITAL CHANGES		
Loans	16,982.23	(69,381.88)
Trade receivables and contract asset	278.97	(400.99)
Other Non-financial Assets	54.11	619.33
Trade payables and contract liability	(62.80)	(73.31)
Other financial liability	(6,030.00)	(1,342.75)
Other Non-financial liability	(178.54)	6.71
Provision	105.60	107.86
Cash flows used in operating activities	**34,693.14**	**(51,163.91)**
Income tax paid	(3,930.88)	(5,906.39)
Net cash flows from/(used in) operating activities	**30,762.26**	**(57,070.29)**
INVESTING ACTIVITIES		
Proceeds from Maturity of Fixed Deposits	5.87	(103.27)
Purchase of fixed and intangible assets	(303.41)	(375.55)
Intangible Assets Under Development	(11.53)	(8.17)
Proceeds from sale of property and equipment	98.61	57.42
Purchase of investment	(24,292.42)	(5,572.78)
Dividend received	27.33	52.25
Net cash flows from/(used in) investing activities	**(24,475.55)**	**(5,950.10)**

CASH FLOW STATEMENT

For the year ended March 31, 2020

(₹ in Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
FINANCING ACTIVITIES		
Debt securities issued	10,005.16	(19,767.13)
Borrowings other than debt securities issued	(13,008.30)	83,249.33
Payments for the principal portion of the lease liability	(319.96)	-
Payments for the interest portion of the lease liability	(238.67)	-
Dividends paid including DDT	(760.11)	(633.40)
Net cash flows from financing activities	**(4,321.88)**	**62,848.80**
Net increase in cash and cash equivalents	1,964.82	(171.60)
Cash and cash equivalents at 1 April 2019	2,671.27	2,842.87
Cash and cash equivalents at March 31, 2020	**4,636.10**	**2,671.27**
Components of cash and cash equivalents		
Cash on hand	16.14	33.99
Balances with banks		
In current accounts	4,617.60	2,635.10
In Unpaid Dividend Account	2.36	2.18
Total cash and cash equivalents	**4,636.10**	**2,671.27**
1. Operational cash flows from interest and dividends		
Interest paid	21,357.60	16,954.65
Interest received	53,639.56	44,580.64
Dividend received	27.33	52.25

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
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Independent Director
DIN 01569098

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Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

As at March 31, 2018	Changes in equity share capital during the year 2018-19	As at March 31, 2019	Changes in equity share capital during the year 2019-20	**As at March 31, 2020**
3,502.70	-	3,502.70	-	3,502.70

B. OTHER EQUITY

(₹ in Lakh)

	Reserves and Surplus					Other Comprehensive Income	
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Employee Benefit Expenses (Gratuity - OCI)	Total
Balance as at April 1, 2018	**6,420.53**	**44,710.06**	**52,052.77**	**111.17**	**15,900.00**	**15.70**	**119,210.22**
Total Comprehensive Income for the year	-	-		-	-	(9.07)	(9.07)
Dividends #	-	-	(633.40)	-	-	-	(633.40)
Transfer from retained earnings	-	-	9.07	-	-	-	9.07
Received during the year	-	-	12,872.52	195.03	2,580.00	-	15,647.55
Utilised during the year	-	-	(2,580.00)			-	(2,580.00)
Balance as at April 1, 2019	**6,420.53**	**44,710.06**	**61,720.96**	**306.20**	**18,480.00**	**6.63**	**131,644.39**
Total Comprehensive Income for the year	-	-		-	-	39.13	39.13
Dividends##	-	-	(760.11)	-	-	-	(760.11)
Transfer from retained earnings	-	-	(39.13)	-	-	-	(39.13)
Received during the year	-	-	13,601.77	272.97	2,720.35	-	16,595.09
Utilised during the year	-	-	(2,720.35)			-	(2,720.35)
Balance as at March 31, 2020	**6,420.53**	**44,710.06**	**71,803.14**	**579.17**	**21,200.35**	**45.76**	**144,759.02**

#During the FY 2018-19 the Company has paid the dividend of ₹ 633.40 Lakh (including dividend distribution tax of ₹ 108.00 Lakh) at ₹ 0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2018.

##During the FY 2019-20 the Company has paid the dividend of ₹ 760.11 Lakh (including dividend distribution tax of ₹ 129.62 Lakh) at ₹ 0.36 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2019.

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
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Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

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, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on May 9, 2020.

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 (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

2.2 Presentation of Standalone Financial Statements

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

(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

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) Financial Instruments 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) and Construction Finance.

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 0-29 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 30 to 89 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. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

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 probability-weighted scenarios 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 lender 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 at a future default date 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, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the Balance Sheet.

(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 those 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

a. 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.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. 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.

(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 contractual tenure of the loan.

2.6 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. 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.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. 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.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) **Leases Rent**

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 shorter of the lease term and the useful life of the underlying asset.

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.

Adoption of Ind AS 116

Effective April 1, 2019, the Company has adopted Ind AS 116, "Leases" ("Ind AS 116"). As a result, the Company has changed its accounting policy for accounting of leasing arrangements, which has been detailed below.

The Company applied the "Modified Retrospective Approach" on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected the available practical expedients which allows the Company not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Company has also elected the practical expedient to not separate lease and non-lease components for all of its leases, non-capitalization of short-term leases (leases with a term of twelve months or less) and low value leases (leases for which the underlying asset is of low value).

The most significant effects of this new standard on the Company relate to the recognition of new right-of-use ("ROU") assets and lease liabilities on its financial position for various real estate operating leases. Lease liability and ROU assets have been separately presented in the financial position and the payment of principal portion of lease liabilities has been classified as financing cash flows.

The difference between the lease obligation disclosed as at March 31, 2019 under Ind AS 17 "Leases" disclosed under Note 44 of the Company's financial statements included in the Company's annual report for the year ended March 31, 2019, and the value of the lease liabilities as at April 1, 2019 is primarily on account of the inclusion of extension and termination options reasonably certain to be exercised, the practical expedient to not separate lease and non-lease components in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(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 estimated useful lives are as prescribed by 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.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

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

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust as and when necessary.

(iii) Effective Interest Rate (EIR) method

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

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

(iv) Lease accounting

The Company determines the lease term as the non-cancellable period of a lease including any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in respective geographies.

2.14 Operating Cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

NOTE 3. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Cash on hand	16.14	33.99
(ii) Balances with banks:		
- In Current Accounts	4,617.60	2,635.10
Total	**4,633.74**	**2,669.09**

NOTE 4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
- original Maturity more than 3 months	821.18	827.05
- Unclaimed Dividend Account	2.36	2.18
Total	**823.54**	**829.23**

The Fixed deposits have been kept as lien with banks against Overdraft facility availed by company.

NOTE 5. RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED CONSIDERED GOOD		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Outstanding for a period less than six months	176.69	455.25
Total	**176.69**	**455.25**

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.

NOTE 6. LOANS

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amortised cost	**Total**	Amortised cost	Total
A				
Loans	310,841.09	310,841.09	327,686.15	327,686.15
Loan to employees	43.47	43.47	126.34	126.34
Loans and advances to related parties - Subsidiary	-	-	54.30	54.30
Total – Gross (A)	310,884.56	310,884.56	327,866.80	327,866.80
Less: Expected Credit Loss	(5,317.83)	(5,317.83)	(3,239.35)	(3,239.35)
Total – Net (A)	**305,566.73**	**305,566.73**	**324,627.45**	**324,627.45**
B				
(a) Secured by tangible assets	310,841.09	310,841.09	327,686.15	327,686.15
(b) Unsecured	43.47	43.47	180.65	180.65
Total – Gross (B)	**310,884.56**	**310,884.56**	**327,866.80**	**327,866.80**
Less: Expected Credit Loss	(5,317.83)	(5,317.83)	(3,239.35)	(3,239.35)
Total – Net (B)	**305,566.73**	**305,566.73**	**324,627.45**	**324,627.45**
C				
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	310,884.56	310,884.56	327,866.80	327,866.80
Total (C) Gross	**310,884.56**	**310,884.56**	**327,866.80**	**327,866.80**
Less: Expected Credit Loss	(5,317.83)	(5,317.83)	(3,239.35)	(3,239.35)
Total (C) Net	**305,566.73**	**305,566.73**	**324,627.45**	**324,627.45**

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 - Term loans are secured against tangible assets kept as collateral of immovable property and portfolio hypothecation(Book Debt Receivable).

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

NOTE 7. INVESTMENTS

(₹ in Lakh)

	As at March 31, 2020		
	At Fair Value Through profit or loss	Others	Total
Investments	(1)	(2)	(3)=(1)+(2)
Equity Instruments	308.50	-	308.50
Other approved securities (MF)	24,555.20		24,555.20
Subsidiaries - Equity Shares *	-	17,500.00	17,500.00
Total – Gross (A)	**24,863.70**	**17,500.00**	**42,363.70**
(i) Investments outside India	-	-	-
(ii) Investments in India	24,863.70	17,500.00	42,363.70
Total (B)	**24,863.70**	**17,500.00**	**42,363.70**

* Net of impairment provision of ₹ 110.50 Lakh (March 31, 2019 ₹ Nil)

(₹ in Lakh)

	As at March 31, 2019		
	At Fair Value Through profit or loss	Others	Total
Investments	(1)	(2)	(3)=(1)+(2)
Equity Instruments-Quoted	932.62	-	932.62
Subsidiaries - Equity Shares -Unquoted	-	17,818.08	17,818.08
Total – Gross (A)	**932.62**	**17,818.08**	**18,750.70**
(i) Investments outside India	-	13.08	13.08
(ii) Investments in India	932.62	17,805.00	18,737.62
Total (B)	**932.62**	**17,818.08**	**18,750.70**

Particulars	As at March 31, 2020 Numbers/Units	As at March 31, 2019 Numbers/Units
INVESTMENT IN SUBSIDIARIES		
1. Capri Global Housing Finance Limited Equity Shares of ₹ 10/- each fully paid up	60,714,280	60,714,280
2. Capri Global Resources Private Limited Equity Shares of ₹ 10/- each fully paid up	1,105,000	550,000
3. Capri Global Asset Reconstruction Private Limited Equity Shares of ₹ 10/- each fully paid up	-	2,500,000
4. Capri Global Capital (Mauritius) Limited Equity Shares of 1 Mauritian Rupee each fully paid up	-	675,921
INVESTMENT IN EQUITY		
1. Equity Shares of CARE Ratings Limited of ₹ 10/- each fully paid up	94,242	94,242
INVESTMENT IN MUTUAL FUNDS		
1. Axis Money Market Fund - Direct Growth	95,940.54	-
2. PGIM India Money Market Direct Growth	49,982.78	-
3. HDFC Money Market Fund - Direct Plan - Growth	71,446.04	-
4. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	23,347,248.29	-
5. ICICI Pru. Money Market Fund Direct Growth	359,696.83	-
6. ICICI Pru. Floating Interest Fund -Direct Growth	1,581,123.16	-
7. Mirae Asset Saving Fund - Direct Plan - Growth	28,296.04	-
8. SBI Saving Fund Direct Growth	3,100,996.35	-
9. Nippon Ultra Short Duration Fund DG	64,856.53	-
10. Sundaram Money Market Fund (176MMDG)	8,957,282.72	-
11. Sundaram Ultra Short Term Fund	952,253.85	-
12. UTI Corporate Bond Fund DG	8,493,795.28	-
13. Kotak Liquid Fund	35,027.76	-
14. SBI Liquid Fund	64,367.05	-

NOTE 8. OTHERS FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	161.54	161.96
Total	**161.54**	**161.96**

NOTE 9. CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax (net of provision for tax)	870.84	598.53
Total	**870.84**	**598.53**

NOTE 10. DEFERRED TAX ASSETS (NET)

The major components of deferred tax assets and liabilities are :

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
a) Provisions for employee benefit	75.46	-	67.80	-
b) Depreciation	179.72	-	232.11	-
c) Provisions for Loans	810.45	-	687.89	-
d) Financial Instruments at FVTPL	-	-	3.28	-
e) Amortised Finance Cost	-	68.43	-	259.81
f) Amortised Fees Income	168.76	-	1183.01	-
g) Others	35.25	-	-	-
Total	**1,269.64**	**68.43**	**2,174.08**	**259.81**
Net Deferred Tax Asset		**1,201.21**		**1,914.27**

NOTE 11. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Buildings :										
Buildings	27.00	-	-	27.00	2.59	1.19	-	3.78	23.22	24.41
Leasehold Premises	228.50	-	-	228.50	100.76	33.07	-	133.83	94.67	127.74
Computer Hardware	584.56	109.10	71.30	622.36	469.44	99.91	67.65	501.70	120.66	115.12
Furniture and Fixtures	568.71	3.41	168.22	403.90	341.72	56.80	151.66	246.86	157.04	226.99
Office Equipments	275.32	8.55	52.37	231.50	220.21	25.92	49.34	196.79	34.71	55.11
Vehicles	519.17	100.75	111.05	508.87	281.66	65.06	7.58	339.14	169.73	237.51
Electrical Installation	125.18	-	29.08	96.10	72.24	13.38	27.32	58.30	37.80	52.94
Total	**2,328.44**	**221.81**	**432.02**	**2,118.23**	**1,488.62**	**295.33**	**303.55**	**1,480.40**	**637.83**	**839.82**

Intangible assets:

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	464.86	81.61	-	546.47	293.40	91.85	-	385.25	161.22	171.46
Right of Use *	-	2,559.53	-	2,559.53	-	460.03	-	460.03	2,099.50	-
Royalty	705.40	-	705.40	-	705.40	-	705.40	-	-	-
Total	**1,170.26**	**2,641.14**	**705.40**	**3,106.00**	**998.80**	**551.88**	**705.40**	**845.28**	**2,260.72**	**171.46**

* Refer note no. 44

NOTES
Forming part of Standalone Financial Statements

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Buildings :										
Buildings	27.00	-	-	27.00	1.29	1.30	-	2.59	24.41	25.71
Leasehold Premises	227.62	0.88	-	228.50	54.45	46.31	-	100.76	127.74	173.17
Computer Hardware	524.40	79.44	19.28	584.56	375.32	112.44	18.32	469.44	115.12	149.07
Furniture and Fixtures	551.62	17.09	-	568.71	259.92	81.80	-	341.72	226.99	291.70
Office Equipments	264.90	13.26	2.84	275.32	182.18	40.63	2.60	220.21	55.11	82.72
Vehicles	472.84	160.71	114.38	519.17	300.22	47.20	65.76	281.66	237.51	172.62
Electrical Installation	125.04	0.14	-	125.18	52.22	20.02	-	72.24	52.94	72.82
Total	**2,193.42**	**271.53**	**136.51**	**2,328.45**	**1,225.61**	**349.70**	**86.68**	**1,488.62**	**839.82**	**967.82**

Intangible assets:

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Software	360.84	104.02	-	464.86	207.78	85.62	-	293.40	171.46	153.06
Royalty	705.40	-	-	705.40	652.86	52.54	-	705.40	-	52.54
Total	**1,066.24**	**104.02**	**-**	**1,170.26**	**860.63**	**138.16**	**-**	**998.80**	**171.46**	**205.60**

NOTE 12. OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances/ Asset Under Financing*	1,349.70	1,814.62
Prepaid Expenses	123.79	144.08
Other Assets	58.81	86.70
GST Input Credit	10.65	-
Deferred lease rentals	95.33	113.92
Total	**1,638.28**	**2,159.32**

* Net of provision of ₹ 429.81 Lakh (March 31, 2019 ₹ Nil)

NOTE 13. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	492.85	423.30
Accrued Employee Benefit Expense	529.48	661.83
Total	**1,022.33**	**1,085.13**

*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 Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Amount outstanding but not due as at year end	-	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
Total	**-**	**-**

NOTE 14. DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2020 At Amortised Cost	Total	As at March 31, 2019 At Amortised Cost	Total
Non Convertible Debentures	15,000.00	15,000.00	4,994.84	4,994.84
Commercial Papers	-	-	-	-
Total (A)	**15,000.00**	**15,000.00**	**4,994.84**	**4,994.84**
Debt securities in India	15,000.00	15,000.00	4,994.84	4,994.84
Debt securities outside India	-	-	-	-
Total (B)	**15,000.00**	**15,000.00**	**4,994.84**	**4,994.84**

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

(₹ in Lakh)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2020	As at March 31, 2019
Series I Tranche II * (FV ₹ 10 Lakh)	17-02-2020	Bullet payment on maturity	9.50%	-	5,000.00
Series 4 (FV ₹ 10 Lacs)	09-08-2029	Bullet payment on maturity	10.23%	15,000.00	-
		Total		**15,000.00**	**5,000.00**

* On purchase of NCD by the company, the principal and accrued interest was paid to the debenture holder on May 6, 2019

The above Non Convertible Debentures are secured against pari-passu charge on book debts and Immovable Property located at Chennai.

NOTE 15. BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED		
Term Loans from Banks*	177,817.75	193,405.55
Term Loans from others**	8,950.00	-
LOAN REPAYABLE ON DEMAND		
From Banks (Overdraft)***	-	46.08
From Banks (Cash Credit)	4,462.17	10,786.59
Total (A)	**191,229.92**	**204,238.22**
Borrowings in India	191,229.92	204,238.22
Borrowings outside India	-	-
Total (B)	**191,229.92**	**204,238.22**

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts with asset cover in the range of 1.25 to 1.33 times and weighted average cost for FY 19-20 is 10.38% p.a.

**First pari-passu charge by way of hypothecation of the Company's loan receivables / book debts with asset cover of 1.33 times and weighted average cost for FY 19-20 is 10.50% p.a.

***This includes lien on the Company's Term Deposits (refer Note 4)

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

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
Small Industries Development Bank of India	June 10, 2024	19 quarterly instalments starting from Dec 2019	10,000.00	-
Canara Bank	March 13, 2027	26 quarterly instalments starting from Dec 2020	5,000.00	-
Syndicate Bank	March 31, 2026	24 quarterly instalments starting from June 2020	5,000.00	-
Punjab National Bank - Term Loan	December 31, 2024	24 quarterly instalments starting from Mar 2019	10,000.00	10,000.00
State Bank Of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	10,000.00	10,000.00
State Bank Of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from April 2019	25,000.00	25,000.00
State Bank Of India - Term Loan 3	August 31, 2026	24 quarterly instalments starting from Nov 2020	10,000.00	-
Indian Bank - Term Loan 1	February 6, 2025	24 quarterly instalments starting from May 2019	10,000.00	10,000.00

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
Indian Bank - Term Loan 2	December 31, 2024	18 quarterly instalments starting from Sept 2020	500.00	-
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	10,000.00	10,000.00
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	5,000.00	5,000.00
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	20,000.00	20,000.00
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from March 2020	7,500.00	7,500.00
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	5,000.00	5,000.00
Union Bank of India - Term Loan 5	May 31, 2026	24 quarterly instalments starting from Aug 2020	15,000.00	-
Bank of India - Term Loan 2	October 13, 2020	12 quarterly instalments starting from Jan 2018	-	5,000.00
Bank of India - Term Loan 3	December 31, 2024	16 quarterly instalments starting from March 2021	2,500.00	-
United Bank - Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	5,000.00	5,000.00
Punjab & Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	5,000.00	5,000.00
Bank of Maharashtra - Term Loan 2	December 31, 2019	12 quarterly instalments starting from Mar 2017	-	20,000.00
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	5,000.00	5,000.00
Bank of Maharashtra - Term Loan 4	January 13, 2027	24 quarterly instalments starting from April 2021	3,000.00	-
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	20,000.00	20,000.00
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 1)	February 10, 2020	12 quarterly instalments starting from May 2017	-	5,000.00
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 2)	September 30, 2020	12 quarterly instalments starting from Dec 2017	7,500.00	7,500.00
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 3)	March 27, 2021	12 quarterly instalments starting from June 2018	5,000.00	5,000.00
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 4)	March 31, 2024	16 quarterly instalments starting from June 2020	5,000.00	5,000.00
Bank of Baroda (Erstwhile known as Dena Bank)	September 30, 2021	12 quarterly instalments starting from Dec 2018	2,500.00	2,500.00
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	4,500.00	4,500.00
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from March 2020	2,500.00	2,500.00
Andhra Bank - Term Loan 1	August 30, 2019	12 quarterly instalments starting from Nov 2016	-	3,000.00
Andhra Bank - Term Loan 2	February 10, 2020	12 quarterly instalments starting from May 2017	-	3,000.00
Andhra Bank - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Feb 2018	5,000.00	5,000.00
Andhra Bank - Term Loan 4	December 26, 2026	24 quarterly instalments starting from Mar 2021	1,000.00	-
ICICI Bank Limited - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	2,500.00	2,500.00
Sinhan Bank - Term Loan	February 20, 2020	8 quarterly instalments starting from May 2018	-	2,500.00
Kotak Bank - Term Loan	March 31, 2020	24 monthly instalments starting from Mar 2018	-	2,500.00
Karnataka Bank - Term Loan 1	March 31, 2021	12 quarterly instalments starting from June 2018	2,000.00	2,000.00
Karnataka Bank - Term Loan 2	December 13, 2022	11 quarterly instalments starting from June 2020	1,000.00	-
HDFC Bank Limited - Term Loan	June 30, 2021	36 monthly instalments starting from July 2018	1,000.00	1,000.00
YES Bank Limited - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	500.00	500.00
YES Bank Limited - Term Loan 1	March 28, 2022	Repayable in 16 quarterly instalments starting from July 2018	5,000.00	5,000.00
YES Bank Limited - Term Loan 1	April 25, 2022	Repayable in 16 quarterly instalments starting from July 2018	7,500.00	7,500.00
YES Bank Limited - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	500.00	500.00
YES Bank Limited - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	300.00	300.00
YES Bank Limited - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	200.00	200.00
YES Bank Limited - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	300.00	300.00
YES Bank Limited - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	200.00	200.00
YES Bank Limited - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	300.00	300.00
YES Bank Limited - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	200.00	200.00

NOTE 16. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Book Overdraft	-	6,121.81
Unclaimed dividend	2.36	2.18
Advances from customers	195.45	138.93
Lease Liability	2,239.57	-
Interest Accrued but not due on borrowings	314.32	74.69
Others	103.13	307.65
Total	**2,854.83**	**6,645.26**

NOTE 17. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net of Advance Tax)	1,169.57	142.28
Total	**1,169.57**	**142.28**

NOTE 18. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision on non-fund exposure	337.89	342.10
Provision for Employee Benefits		
- Gratuity	72.84	81.14
- Compensated Absences	325.84	251.07
Total	**736.57**	**674.31**

NOTE 19. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
OTHER PAYABLES		
Statutory Remittances	79.58	258.12
Total	**79.58**	**258.12**

NOTE 20. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
36,00,00,000 Equity Shares of ₹ 2 each	7,200.00	7,200.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)		
	7,200.00	**7,200.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,51,34,805 Equity Shares of ₹ 2 each	3,502.70	3,502.70
(Previous Year 17,51,34,805 Equity Shares of ₹ 2 each)		
	3,502.70	**3,502.70**

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

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70
Issued during the year	-	-	-	-
Equity shares outstanding as at the end of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70

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

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	%	Number	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.73%	6,78,24,643	38.73%
Mr. Rameshchandra Sharma	4,37,64,930	24.99%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	10.00%	1,75,17,060	10.00%

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. The Board of Directors at their meeting held on May 9, 2020 have recommended a dividend of ₹ 0.20 per equity share on face value of ₹ 2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. During the year the Company has paid the dividend of ₹ 760.11 Lakh (including dividend distribution tax of ₹ 129.62 Lakh) at ₹ 0.36 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2019.

3. 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.

NOTE 21. OTHER EQUITY

(₹ In Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
STATUTORY RESERVE PURSUANT TO SECTION 45-IC OF THE RBI ACT, 1934		
Balance as per the last Financial Statements	18,480.00	15,900.00
Add: Amount transferred from surplus balance in the statement of profit and loss	2,720.35	2,580.00
Closing balance	**21,200.35**	**18,480.00**
SECURITIES PREMIUM		
Balance as per the last financial statements	44,710.06	44,710.06
Closing balance	**44,710.06**	**44,710.06**
GENERAL RESERVE		
Balance as per the last financial statements	6,420.53	6,420.53
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**6,420.53**	**6,420.53**
EMPLOYEE STOCK OPTION RESERVE		
Balance as per the last Financial Statements	306.23	111.17
Add/Less: Amount transferred from surplus balance in the statement of profit and loss	272.97	195.06
Closing balance	**579.20**	**306.23**
RETAINED EARNINGS (SURPLUS/DEFICIT IN STATEMENT OF PROFIT AND LOSS)		
Surplus/deficit in statement of profit and loss	61,727.57	52,068.44
Profit for the year:	13,601.77	12,872.54
Less: Appropriations		
Dividend Paid	(630.49)	(525.40)
Tax on Dividend Paid	(129.62)	(108.00)
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(2,720.35)	(2,580.00)
	71,848.88	**61,727.57**
Total	**144,759.02**	**131,644.39**

Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

General reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

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

Every non-banking financial company shall create a reserve fund to 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 and before any dividend is declared.

Employee Stock Option Reserve

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

NOTE 22. INTEREST INCOME

(₹ in Lakh)

Particulars	2019-20 On Financial Assets measured at Amortised Cost	2019-20 On Financial Assets classified at FVTPL	2019-20 Total	2018-19 On Financial Assets measured at Amortised Cost	2018-19 On Financial Assets classified at FVTPL	2018-19 Total
Interest on Loans	54,284.88	-	54,284.88	46,024.92	-	46,024.92
Interest on deposits	62.90	-	62.90	54.34	-	54.34
Interest income from investments	-	-	-	-	211.35	211.35
Total	**54,347.78**	**-**	**54,347.78**	**46,079.26**	**211.35**	**46,290.60**

NOTE 23. FEE AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Application fees	289.12	383.99
Total	**289.12**	**383.99**

NOTE 24. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Mutual Fund & Bonds	941.82	315.75
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair value changes	941.82	315.75
(D) Fair Value changes:		
- Realised	886.62	315.75
- Unrealised	55.2	-
Total Net gain on fair value changes	**941.82**	**315.75**

NOTE 24 A. NET LOSS ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in share	624.12	200.85
- Mutual Fund & Bonds	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net loss on fair value changes	624.12	200.85
(D) Fair Value changes:		
- Realised	-	(5.63)
- Unrealised	624.12	206.48
Total Net loss on fair value changes	**624.12**	**200.85**

NOTE 25. OTHER OPERATING INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Income	672.47	1,277.97
Foreclosure Fees	1,161.51	1,109.62
Bad Debts Recovered	15.97	92.35
Other charges	367.44	453.28
Total	**2,217.39**	**2,933.21**

NOTE 26. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of other assets	15.26	125.73
Profit on sale of fixed assets	-	7.62
Others*	377.45	300.15
Total	**392.71**	**433.50**

*Others includes service fees of ₹ 120.00 Lakh (March 31, 2019 ₹ 182.75 Lakh) received from Capri Global Housing Finance Limited a 100% Subsidiary of the company

NOTE 27. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2020 On Financial liabilities measured at Amortised Cost	For the year ended March 31, 2019 On Financial liabilities measured at Amortised Cost
Interest on borrowings	19,728.52	15,134.47
Interest on Bank Overdraft	240.93	86.64
Interest on debt securities	1,036.67	1,315.84
Discount Charges on Commercial Paper	-	227.67
Interest on Bank CC	346.82	223.46
Interest on Lease Liability	238.67	-
Interest Others	5.63	1.03
Total	**21,597.24**	**16,989.11**

NOTE 28. IMPAIRMENT ON FINANCIAL INSTRUMENTS (EXPECTED CREDIT LOSS-ECL)

The table below displays Stagewise ECL charged to the Statement of Profit and Loss:

(₹ in Lakh)

Particulars	2019-20				2018-19			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	199.97	897.42	981.09	2,078.48	63.26	94.24	617.24	774.74
Disbursement/Loan commitments	(42.19)	37.76	0.22	(4.21)	(36.69)	1.62	(0.04)	(35.10)
Others	-	-	577.43	577.43	-	-	-	-
Total impairment loss	**157.78**	**935.18**	**1,558.74**	**2,651.70**	**26.58**	**95.86**	**617.20**	**739.64**

The ECL figures given in brackets indicate stagewise release of the provision amount.

NOTE 29. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Bonus	8,902.50	9,085.75
Contribution to Provident Fund and Other Funds	384.44	319.29
Staff Training and Welfare Expenses	246.75	164.35
Share Based Payments to employees	224.54	173.75
Total	**9,758.23**	**9,743.15**

NOTE 30. OTHER EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisment Expenses	28.31	27.03
Auditors' Remuneration (Refer Note 1 below)	36.84	34.49
Bad Debts Written Off	447.58	669.20
Banking Charges	18.42	15.46
Business Development Expenses	102.04	52.51
Corporate Social Responsibility Expenses (Refer Note 2 below)	270.55	186.62
Directors' Fees and Commission	47.42	52.32
Donation	-	0.55
Electricity Charges	63.96	59.77
Insurance Charges	9.63	44.13
Legal Expenses	1,055.30	1,382.72
Loss On Sale/Discard Of Fixed Assets	29.87	-
Manpower Outsourcing Expenses	96.53	68.76
Membership and Subscription Expenses	25.60	20.38
Postage, Telephone and Fax	152.48	187.47
Printing and Stationery	49.84	101.48
Registration Expenses	0.41	3.10
Lease Rent (refer note no. 2 (6)(iii) and note no.44)	106.39	623.20
Repairs and Maintenance	26.32	18.21
Software Expenses	262.87	93.64
Filing and Other Fees	1.58	1.32
Computer Maintenance	12.52	21.41
Travelling and Conveyance	531.83	536.33
Service Fees*	104.28	-
General Expenses	295.52	311.00
Total	**3,776.09**	**4,511.11**

*Service fees of ₹ 104.28 Lakh (March 31, 2019 ₹ Nil) Paid to Capri Global Housing Finance Limited

1. Auditors' Remuneration

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) For Audit	14.00	14.00
b) For Tax Audit	4.00	4.00
c) For Limited Review	9.81	7.82
d) For other services (Certification Fees)	6.90	7.10
e) For reimbursement of expenses	2.13	1.57
Total	**36.84**	**34.49**

2. Corporate Social Responsibility Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross Amount Required to be spent during the year	270.55	186.62
Amount spent during the year on Corporate Social Responsibility in line with Schedule VII of the Companies Act 2013	270.55	186.62

NOTE 31. OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement gain on defined benefit plan	39.13	6.62
Income tax relating to these items	(9.85)	(1.93)
Total other comprehensive income for the year, net of tax	**29.28**	**4.69**

NOTE 32. MSME LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
INTERNAL RATING GRADE#								
Performing								
High grade	165,404.79	-	-	165,404.79	171,612.23	-	-	171,612.23
Standard grade	11,597.31	-	-	11,597.31	7,619.22	-	-	7,619.22
Sub-standard grade	-	7,883.91	-	7,883.91	-	6,170.80	-	6,170.80
Past due but not impaired	-	8,758.24	-	8,758.24	-	4,403.67	-	4,403.67
Individually impaired	-	-	7,332.02	7,332.02	-	-	4,614.12	4,614.12
Total	**177,002.10**	**16,642.15**	**7,332.02**	**200,976.27**	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.04**

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 Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
GROSS CARRYING AMOUNT OPENING BALANCE	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.05**	**142,811.36**	**7,933.00**	**3,377.45**	**154,121.81**
New assets originated	41,462.76	-	-	41,462.76	86,920.68	-	-	86,920.68
Assets derecognised or repaid (excluding write offs)	(31,279.90)	(1,855.04)	(1,324.02)	(34,458.95)	(43,170.94)	(1,747.11)	(1,035.20)	(45,953.25)
Transfers to Stage 1	2,067.78	(1,680.89)	(386.88)	-	9,727.69	(6,386.64)	(3,341.05)	-
Transfers to Stage 2	(11,721.87)	12,042.05	(320.18)	-	(12,279.24)	12,348.58	(69.34)	-
Transfers to Stage 3	(2,758.12)	(2,438.44)	5,196.56	-	(4,778.10)	(1,573.36)	6,351.46	-
Amounts written off*	-	-	(447.58)	(447.58)	-	-	(669.20)	(669.20)
Gross carrying amount closing balance	**177,002.10**	**16,642.15**	**7,332.02**	**200,976.26**	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.05**

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the company.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL ALLOWANCE - OPENING BALANCE	**542.65**	**333.17**	**1,588.56**	**2,464.38**	**504.47**	**231.45**	**853.09**	**1,589.01**
New assets originated	2,382.93	-	-	2,382.93	1,552.90	-	-	1,552.90
Assets derecognised or repaid (excluding write offs)	(97.80)	(33.49)	(219.37)	(350.67)	(202.80)	(48.17)	(426.56)	(677.53)
Transfers to Stage 1	134.57	(45.45)	(89.12)	-	6.76	(6.26)	(0.50)	-
Transfers to Stage 2	(853.64)	923.54	(69.90)	-	(404.42)	405.75	(1.33)	-
Transfers to Stage 3	(1,270.00)	(84.16)	1,354.16	-	(914.26)	(249.60)	1,163.86	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**838.70**	**1,093.60**	**2,564.34**	**4,496.64**	**542.65**	**333.17**	**1,588.56**	**2,464.38**

 # Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
LGD	22.65	20.66

Probability of Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
Stage 1	2.06	1.45
Stage 2	23.43	13.51
Stage 3	100.00	100.00

$ PD & LGD includes management overlay due to COVID-19 pandemic (refer Note no. 33)

NOTE 32.1 CONSTRUCTION FINANCE LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
INTERNAL RATING GRADE#								
Performing								
High grade	96,987.39	-	-	96,987.39	133,632.35	-	-	133,632.35
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	11,763.24	-	11,763.24	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Individually impaired	-	-	167.51	167.51	-	-	167.51	167.51
Total	**96,987.39**	**11,763.24**	**167.51**	**108,918.14**	133,632.35	-	167.51	133,799.86

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 Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
GROSS CARRYING AMOUNT OPENING BALANCE	**133,632.35**	**-**	**167.51**	**133,799.87**	103,287.18	1,070.21	910.41	105,267.81
New assets originated	24,933.62	-	-	24,933.62	58,384.90	-	-	58,384.90
Assets derecognised or repaid (excluding write offs)	(49,815.34)	-	-	(49,815.34)	(28,039.73)	(1,070.21)	(742.90)	(29,852.85)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(11,763.24)	11,763.24	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	
Amounts written off	-	-		-	-	-	-	-
Gross carrying amount closing balance	**96,987.39**	**11,763.24**	**167.51**	**108,918.13**	133,632.35	-	167.51	133,799.86

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL ALLOWANCE - OPENING BALANCE	**748.31**	**-**	**26.66**	**774.97**	723.22	7.48	144.89	875.59
New assets originated	246.68	-	-	246.68	327.48	-	-	327.48
Assets derecognised or repaid (excluding write offs)	(200.45)	-	-	(200.45)	(302.39)	(7.48)	(118.23)	(428.10)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(137.00)	137.00	-	-	-	-	-	-
Transfers to Stage 3	(5.32)	-	5.32	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**652.22**	**136.99**	**31.98**	**821.19**	748.31	-	26.66	774.97

 # Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
LGD	19.09	15.91

Probability of Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
Stage 1	3.52	3.52
Stage 2	4.21	N.A.
Stage 3	100.00	100.00

$ PD & LGD includes management overlay due to COVID-19 pandemic (refer Note no. 33)

NOTE 33.

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy)

Further, the Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial Statement. Accordingly, the Company has made provision for expected credit loss on financial assets as at March 31, 2020. As part of the management overlays, as per the approved ECL policy, the management has increased the underlying PD and LGD as computed by ECL Model by 20%-25% depending on the nature of the portfolio/borrower, the manegement's estimate of the future stress and risk and available market information. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will impact the Company's Financial Statement will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Statement and the Company will continue to closely monitor any material changes to future economic conditions.

NOTE 34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

1. Income Tax recognised in statement of profit and loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CURRENT TAX		
In respect of the current year	5,263.30	5,290.00
In respect of prior years	74.66	-
	5,337.96	5,290.00
DEFERRED TAX		
In respect of the current year	51.12	(420.25)
In respect of prior years	-	-
	51.12	(420.25)
Total Income tax expense recognised in the current year relating to continuing operations	**5,389.08**	4,869.75

2. Reconciliation of income tax expense for the year:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
STANDALONE PROFIT BEFORE TAX	**18,961.57**	17,737.59
Adjustments of allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	1,324.42	2,782.09
Tx Effect of income exempt from tax/ deduction allowable	(27.33)	(2,050.95)
Tax Effect of income considered separatey	(232.64)	(446.58)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	886.62	237.35
Tax Effect of deduction under Chapter VI A/ Other Sections	-	(93.31)
Taxable Profits/(loss)	**20,912.65**	18,166.19
Income tax expense recognised in statement of profit and loss	**5,263.30**	5,290.00

3. Reconciliation of income tax rate is as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Normal Tax Rate	22.00	25.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	3.00
Education cess (including secondary and higher education cess)	-	-
Health and Education Cess	0.97	1.12
Total Tax Rate	**25.17**	29.12
ADJUSTMENTS OF TAX EFFECT OF ALLOWABLE AND NON-ALLOWABLE INCOME AND EXPENSES:		
Non-deductible expenses	1.76	4.57
Income exempt from tax/ deduction allowable	(0.04)	(3.37)
Income considered separatey	(0.31)	(0.73)
Capital Gain on sale of shares,mutual funds, interest etc	1.18	0.39
Deduction under Chapter VI A/ Other Sections	-	(0.15)
Deferred Tax Assets	0.27	(2.37)
Prior Period Expenses	0.39	-
Effecttive Tax Rate	**28.42**	27.45

The promulgated Taxation Law (Amendment) Ordinance 2019 has inserted section 115BBA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess.The Company has irreversibly opted for the new tax rate i.e. 25.17%.

NOTE 35. DEFERRED TAX

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

(₹ in Lakh)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	**As at March 31, 2020**	**As at March 31, 2020**	**2019-20**	**2019-20**
Provisions	75.46	-	7.66	-
Depreciation	179.72	-	(52.39)	-
Impairment allowance for financial assets	810.45	-	122.56	-
Financial Instruments at FVTPL	-	-	(3.28)	-
Unmortised borrowing Cost	-	68.43	191.38	-
Tax related to earlier years	-	-	661.94	-
Others	35.25	-	35.25	-
Unmortised Fees and commission	168.76	-	(1,014.24)	-
Total	**1,269.64**	**68.43**	**(51.12)**	**-**

(₹ in Lakh)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	**As at March 31, 2019**	**As at March 31, 2019**	**2018-19**	**2018-19**
Provisions	67.80	-	23.96	-
Depreciation	232.11	-	89.43	-
Impairment allowance for financial assets	687.89	-	-	-
Other Comprehensive Income	-	-	4.57	-
Financial Instruments at FVTPL	3.28	-	14.52	-
Unmortised borrowing Cost	-	259.81	(58.37)	-
Unmortised Fees and commission	1,183.01	-	346.13	-
Total	**2,174.09**	**259.81**	**420.24**	**-**

Deffered 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.

(₹ in Lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	4,633.74	-	4,633.74	2,669.09	-	2,669.09
Bank Balance other than above	822.18	1.36	823.54	827.05	2.18	829.23
Trade Receivables	176.69	-	176.69	455.25	-	455.25
Loans	73,266.47	232,300.26	305,566.73	91,843.93	232,783.52	324,627.45
Investments	24,863.70	17,500.00	42,363.70	932.62	17,818.08	18,750.70
Other financial Assets	5.60	155.94	161.54	2.80	159.16	161.96
Total Assets	**103,768.38**	**249,957.56**	**353,725.94**	**96,730.74**	**250,762.94**	**347,493.68**
LIABILITIES						
Financial Liabilities						
Trade Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	1,022.33	-	1,022.33	1,085.13	-	1,085.13
Debt Securities	-	15,000.00	15,000.00	4,994.84	-	4,994.84
Borrowings (Other than debt securities)	59,793.20	131,436.72	191,229.92	57,731.56	146,506.66	204,238.22
Other financial liabilities	740.46	2,114.37	2,854.83	6,504.15	141.11	6,645.26
Total liabilities	**61,555.99**	**148,551.09**	**210,107.08**	**70,315.68**	**146,647.77**	**216,963.45**
Net	**42,212.39**	**101,406.47**	**143,618.86**	**26,415.06**	**104,115.17**	**130,530.23**

Note:-Information on the maturity pattern is based on the reasonable assumptions made by the management before considering impact of RBI Circular Dated 27 March, 2020.

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. 52.1

NOTE 37. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)

Particulars	As at April 01, 2019	Cash flows	As at March 31, 2020
Debt securities	4,994.84	10,005.16	15,000.00
Borrowings other than debt securities	204,238.22	(13,008.30)	191,229.92
Total liabilities from financing activities	**209,233.06**	**(3,003.14)**	**206,229.92**

NOTE 38. FAIR VALUE MEASUREMENTS
38.1 Financial instruments by category

(₹ in Lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	Others*	Amortised cost	FVTPL	Others*	Amortised cost
FINANCIAL ASSETS						
Investments						
- Equity instruments (Other than subsidiaries)	308.50	-	-	932.62	-	-
- Mutual funds	24,555.20	-	-	-	-	-
- Equity Shares - Subsidiaries	-	17,500.00	-	-	17,818.08	-
Trade receivables	-	-	176.69	-	-	455.25
Loans	-	-	305,566.73	-	-	324,627.45
Cash and cash equivalents	-	-	4,633.74	-	-	2,669.09
Bank Balances other than above	-	-	823.54	-	-	829.23
Other financial Assets	-	-	161.54	-	-	161.96
Total financial assets	**24,863.70**	**17,500.00**	**311,362.24**	932.62	17,818.08	328,742.98
FINANCIAL LIABILITIES						
Borrowings (including Debt Securities)	-	-	206,229.92	-	-	209,233.06
Trade payables	-	-	1,022.33	-	-	1,085.13
Other financial liabilities	-	-	2,854.83	-	-	6,645.26
Total financial liabilities	**-**	**-**	**210,107.08**	-	-	216,963.45

* Others include subsidiary investment measured at cost

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.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2020						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	308.50	308.50	-	-	308.50
Mutual funds	7	24,555.20	24,555.20			24,555.20
Total financial assets		**24,863.70**	**24,863.70**	**-**	**-**	**24,863.70**
Financial liabilities		**-**	**-**	-	-	-
Total financial liabilities		**-**	**-**	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2020						
Financial assets						
Cash and cash equivalents	3	4,633.74	4,633.74	-	-	4,633.74
Bank Balance other than above	4	823.54	823.54	-	-	823.54
Trade Receivable	5	176.69	-	-	176.69	176.69
Loans						-
Loans to employees	6	43.47	-	-	43.47	43.47
Loans - SME & CF		305,523.26	-	-	305,523.26	305,523.26
Investment in Subsidiaries - Equity Shares	7	17,500.00	-	-	17,500.00	17,500.00
Other financial assets	8	161.54	-	-	161.54	161.54
Total financial assets		**328,862.24**	**5,457.28**	**-**	**323,404.96**	**328,862.24**
FINANCIAL LIABILITIES						
Trade Payable	13	1,022.33	-	-	1,022.33	1,022.33
Debt Securities	14	15,000.00	15,000.00	-	-	15,000.00
Borrowings other than Debt Securities	15	191,229.92	-	-	191,229.92	191,229.92
Other Financial Liabilities	16	2,854.83	-	-	2,854.83	2,854.83
Total financial liabilities		**210,107.08**	**15,000.00**	**-**	**195,107.08**	**210,107.08**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2019						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	932.62	932.62	-	-	932.62
Total financial assets		932.62	932.62	-	-	932.62
Financial liabilities		**-**	**-**	-	-	-
Total financial liabilities		**-**	**-**	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2019						
Financial assets						
Cash and cash equivalents	3	2,669.09	2,669.09	-	-	2,669.09
Bank Balance other than above	4	829.23	829.23	-	-	829.23
Trade Receivable	5	455.25	-	-	455.25	455.25
Loans		-	-	-	-	-
Loans to subsidiaries	6	54.30	-	-	54.30	54.30
Loans to employees		126.34	-	-	126.34	126.34
Loans - SME & CF		324,446.81	-	-	324,446.81	324,446.81
Investment in Subsidiaries - Equity Shares	7	17,818.08	-	-	17,818.08	17,818.08
Other financial assets	8	161.96	-	-	161.96	161.96
Total financial assets		**346,561.06**	**3,498.32**	**-**	**343,062.74**	**346,561.06**
FINANCIAL LIABILITIES						
Trade Payable	13	1,085.13	-	-	1,085.13	1,085.13
Debt Securities	14	4,994.84	4,994.84	-	-	4,994.84
Borrowings other than Debt Securities	15	204,238.22	-	-	204,238.22	204,238.22
Other Financial Liabilities	16	6,645.26	-	-	6,645.26	6,645.26
Total financial liabilities		**216,963.45**	**4,994.84**	**-**	**211,968.61**	**216,963.45**

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.

The Company gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTE 39.

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 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 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.

Note:-The impact of RBI Circular dated March 27, 2020, has been considered for the aforesaid classification into Stage 1 , Stage 2 and Stage 3 Loans.

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 unlikeness 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 PD estimation process

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

a) The 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

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 (refer Note 33).

39.2.2 Analysis of risk concentration - Refer Note 52.12(d)

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 hypothication 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

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.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note no.52.5

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.

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2019-20			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	774.74	Impact on equity	579.75
	50 Basis point Up		1,549.47		1,159.50
	25 Basis point Down		(774.74)		(579.75)
	50 Basis point Down		(1,549.47)		(1,159.50)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(518.83)	Impact on equity	(388.25)
	50 Basis point Up		(1,037.66)		(776.50)
	25 Basis point Down		518.83		388.25
	50 Basis point Down		1,037.66		776.50

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2018-19			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	648.47	Impact on equity	459.64
	50 Basis point Up		1,296.95		919.28
	25 Basis point Down		(648.47)		(459.64)
	50 Basis point Down		(1,296.95)		(919.28)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(366.44)	Impact on equity	(259.73)
	50 Basis point Up		(732.87)		(519.46)
	25 Basis point Down		366.44		259.73
	50 Basis point Down		732.87		519.46

NOTE 40. 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.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

(₹ in Lakh)

Particulars	As at April 01, 2019	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	**As at March 31, 2020**
Defined benefit obligation	(276.02)	(109.75)	(20.65)	41.27	-	4.68	(19.27)	50.28	-	(329.46)
Fair value of plan assets*	194.88	-	14.58	(41.27)	3.43	-	-	-	85.00	256.62
Benefit liability	**(81.14)**	**(109.75)**	**(6.07)**	**-**	**3.43**	**4.68**	**(19.27)**	**50.28**	**85.00**	**(72.84)**

*valuation is based on the figures as on 31/03/2020.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

(₹ in Lakh)

Particulars	As at April 01, 2018	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2019
Defined benefit obligation	(203.78)	(88.88)	(15.90)	24.67	-	0.30	(5.20)	12.77	-	(276.02)
Fair value of plan assets*	158.44	-	12.36	(24.67)	(1.25)	-	-	-	50.00	194.88
Benefit liability	**(45.34)**	**(88.88)**	**(3.54)**	**-**	**(1.25)**	**0.30**	**(5.20)**	**12.77**	**50.00**	**(81.14)**

NOTES
Forming part of Standalone Financial Statements

Category of assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance Fund	256.62	194.88
Total	**256.62**	**194.88**

Senstivity analysis

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in)				
1) Discount Rate	(15.72)	(15.64)	17.37	17.52
2) Future Salary Increases	16.10	16.13	(15.01)	(14.88)
3) Employee Turnover	(2.73)	(0.93)	2.69	0.68

Maturity Analysis of benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	35.32	23.07
Between 2 and 5 years	168.42	119.94
Between 6 and 10 years	146.98	142.72
Beyond 10 years	126.46	197.21
Total expected payments	**477.18**	**482.94**

NOTE 41. RELATED PARTY DISCLOSURES IN RESPECT OF TRANSACTIONS FOR THE YEAR

Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Employee benefits	122.42	70.11
Total	**122.42**	**70.11**

A. List of Related Parties and related party relationship:

a) Related Parties over which control exists:

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
3	Capri Global Asset Reconstruction Private Limited (Till December 30, 2019)	Wholly owned Subsidiary
4	Capri Global Capital (Mauritius) Limited (Till December 15, 2019)	Wholly owned Subsidiary

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

Sr. No.	Name of the Related Party
1	Budhinath Advisory Services Private Limited
2	Parijat Properties Private Limited
3	Dreamwork Media & Entertainment Private Limited
4	Capri Global Holdings Private Limited
5	Ramesh Chandra Sharma - HUF

c) Key Management Personnel of the Company

Sr no	Name of KMP	March 31, 2020	March 31, 2019
1	Mr. Quintin E Primo III	Non-Executive Chairman (upto June 1, 2019)	Non Executive Chairman
2	Mr. Rajesh Sharma	Managing Director	Managing Director (w.e.f. July 04,2018)
3	Mr. Beni Prasad Rauka	Independent Director	Independent Director
4	Ms. Bhagyam Ramani	Independent Director	Independent Director
5	Mr. Mukesh Kacker	Independent Director	Independent Director
6	Mr. Tilak Raj Bajalia	Independent Director (upto December 19, 2019)	Independent Director
7	Mr. Ajay Relan	Independent Director	Independent Director (w.e.f. December 04, 2018)
8	Mr. Deshraj Dogra	Not Applicable	Independent Director (Upto September 19, 2018)
9	Mr. Ajit Mohan Sharan	Independent Director (w.e.f June 1, 2019)	Not Applicable
10	Mr. Ashish Gupta	Chief Financial Officer (w.e.f May 3, 2019)	Not Applicable
11	Mr. Bipinchandra Kabra	Not Applicable	Director-Finance (Upto July 31, 2018)

d) Post-employment benefit plan:

1. Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme

e) Corporate Social Responsibility:

1. Capri Foundation

NOTES

Forming part of Standalone Financial Statements

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		Post-employment benefit plan		Total	
		Year ended March 31, 2020	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019
A.	**STATEMENT OF PROFIT AND LOSS ITEMS:**										
I	**Incomes :**										
i	**Interest on Loan Given to Subsidiaries**										
	Capri Global Resources Private Limited	-	4.71		-		-		-	-	4.71
ii	**Service Charge Income from Subsidiary**										
	Capri Global Housing Finance Limited	120.00	182.75		-		-		-	120.00	182.75
iii	**Sale of Investment**										
	Capri Global Holdings Pvt. Ltd.	-	-	268.00	-		-		-	268.00	-
II	**Expenses :**										
i	**Rent Paid**										
	Ramesh Chandra Sharma (HUF)	-	-	16.50	33.00		-		-	16.50	33.00
	Parshwanath Buildcon Private Limited	-	-	1.40	0.40		-		-	1.40	0.40
ii	**Service Charge Expenses to Subsidiary**										
	Capri Global Housing Finance Limited	104.28	-		-		-		-	104.28	-
iii	**Salaries, Commission and other benefits**										
	Mr. Rajesh Sharma	-	-	-	-	24.00	17.81		-	24.00	17.81
	Mr. Ashish Gupta	-	-	-	-	98.42	-		-	98.42	-
	Mr. Bipinchandra Kabra	-	-	-	-		52.31		-	-	52.31
iv	**Director Sitting Fees**										
	Mr. Quintin E Primo III	-	-		-	1.50	2.85		-	1.50	2.85
	Mr. Beni Prasad Rauka	-	-		-	11.10	12.00		-	11.10	12.00
	Ms. Bhagyam Ramani	-	-		-	8.40	15.00		-	8.40	15.00
	Mr. Mukesh Kacker	-	-		-	6.75	5.85		-	6.75	5.85
	Mr. Tilak Raj Bajalia	-	-		-	7.20	8.40		-	7.20	8.40
	Mr. Ajit Sharan	-				3.30	-			3.30	
	Mr. Deshraj Dogra	-	-		-		3.00		-	-	3.00
	Mr. Ajay Kumar Relan	-	-		-	4.50	0.75		-	4.50	0.75
v	**Employee Benefits**										
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-		-	-	-	85.00	36.43	85.00	36.43
vi	**Corporate Social Responsibility**										
	Capri Foundation	-	-	267.55	185.30		-		-	267.55	185.30
vii	**Conversion of Loan into Equity Shares**										
	Loan Converted into equity Shares	55.50	-	-	-	-	-	-	-	55.50	-

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		Post-employment benefit plan		Total	
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
B	**BALANCE SHEET ITEMS (CLOSING BALANCES):**										
i	**Investment in Equity Shares of Subsidiaries**										
	Capri Global Housing Finance Limited	17,500.00	17,500.00	-	-	-	-	-	-	17,500.00	17,500.00
	Capri Global Resources Private Limited*	110.50	55.00	-	-	-	-	-	-	110.50	55.00
	Capri Global Asset Reconstruction Private Limited	-	250.00	-	-	-	-	-	-	-	250.00
	Capri Global Capital(Mauritius) Ltd	-	13.08	-	-	-	-	-	-	-	13.08
ii	**Loan Given to Subsidiary**										
	Capri Global Resources Private Limited**	-	48.02	-	-	-	-	-	-	-	48.02
iii	**Interest Accrued but not due from Subsidiary**										
	Capri Global Resources Private Limited	-	6.28	-	-	-	-	-	-	-	6.28
iv	**Other Payable**										
	Capri Global Housing Finance Limited	16.23		-	-	-	-	-	-	16.23	-
	Parshwanath Buildcon Private Limited	-	-	0.29	-	-	-	-	-	0.29	-
	Money Matters Financial Services Limited	-	-	-	-	-	-	-	81.14	-	81.14
	Employees Group Gratuity Assurance Scheme										
v	**Other Receivable**										
	Capri Global Housing Finance Limited	85.47	26.24	-	-	-	-	-	-	85.47	26.24

*During the year, company has created provision of ₹ 110.50 Lakh .

**During the year, Loan of ₹ 55.50 Lakh is converted into equity share Capital..

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, 2020	For the Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Lakh	13,572.49	12,867.83
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	175,134,805	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	176,193,461	176,107,601
Basic earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(B)	₹	7.75	7.35
Diluted earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(C)	₹	7.70	7.31

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
Weighted average number of equity shares for calculating EPS	Nos.	175,134,805	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	1,058,656	972,796
Weighted average number of equity shares in calculation of diluted EPS	Nos.	176,193,461	176,107,601

NOTE 44. LEASES

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Gross carrying value

	(₹ in Lakh)
Balance as at April 1, 2019	**2,469.38**
On adoption of IND AS 116	-
Additions	90.15
Terminations/modifications	-
Translation adjustments	-
Balance as at March 31, 2020	**2,559.53**
Accumulated depreciation	-
Balance as at April 1, 2019	-
Depreciation	460.03
Terminations/modifications	-
Translation adjustments	-
Balance as at March 31, 2020	460.03
Net carrying value as at March 31, 2020	**2,099.50**

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.14%.

The company's operating lease commitment and lease liability as at March 31, 2019 are recognised as per Ind AS 116 in the Balance Sheet as at April 1, 2019 as follows:

	(₹ in Lakh)
Total operating lease commitments disclosed at March 31, 2019	**3,597.34**
Recognition exemption	-
Leases with remaining life of less than 12 months	144.72
Adjustments required under Ind AS 116	-
Practical expedient for maintenance charges	-
Lease commencements after transition date	-
Others	-
Leased assets (other than premises) recognized as required by the new standard	-
Gross lease liability before discounting	**3,452.63**
Effect of discounting using incremental borrowing rate	983.24
Discounted lease liability	2,469.38
Lease liability with respect to exercising reasonably certain extension options	-
Total lease liabilities recognized under Ind AS 116 at April 1, 2019	**2,469.38**

The following is the movement in lease liabilities during the year ended March 31, 2020.

Lease liabilities

(₹ in Lakh)

Balance as at April 1, 2019	**2,469.38**
Additions	90.15
Terminations/modifications	-
Finance expense	238.67
Payment of lease liabilities	558.63
Translation adjustments	-
Balance as at March 31, 2020	**2,239.57**

Rental expense charged for short-term & low value leases was ₹ 106.39 Lakh, for the year ended March 31, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020, on an undiscounted basis:

Tenure

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than 1 year	532.49	700.37
1-3 years	948.70	996.94
3-5 years	860.20	862.06
More than 5 years	702.32	1,037.98
Total	**3,043.71**	**3,597.34**

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	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	1,679,500	₹ 2 to ₹ 174

The activity of the Stock Plans is summarised below

	Year ended			
	As at March 31, 2020		As at March 31, 2019	
Particulars	Numbers	Exercise Price/ Vesting Price (₹)	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	771,500	100.00	777,500	100.00
	285,000	70.00	300,000	70.00
	687,500	2.00	150,000.00	66
			250,000.00	62
Granted	200,500	130.00	289,000	100.00
	50,000	174.00	60,000	70.00
	15,000	158.20	710,000	2.00
Exercised	-	-	-	-
Forfieted, expired and cancelled	197,500	100.00	295,000	100.00
	-	70.00	75,000.00	70
	132,500	2.00	150,000.00	66
			250,000.00	62
			22,500.00	2
Outstanding at the end of the year	574,000	100.00	771,500	100.00
	285,000	70.00	285,000	70.00
	555,000	2.00	687,500	2.00
	200,500	130.00		
	50,000	174.00		
	15,000	158.20		

The following table summarises information about stock option plans

	Year ended			
	As at March 31, 2020		As at March 31, 2019	
Exercise Price (₹)	**Numbers**	**Weighted Average Remaining Life (Months)**	**Numbers**	**Weighted Average Remaining Life (Months)**
130.00	200,500	43		
174.00	50,000	43		
158.20	15,000	48		
100.00	574,000	24	771,500	35
70.00	285,000	22	285,000	35
2.00	555,000	30	687,500	42

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

Particulars	**March 31, 2020**
Expected life of the options	3 to 5 Years
Expected volatility	60%
Dividend yield	1%
Risk-free interest rate	6.07% to 6.66%

ESOP cost recognised in the Statement of Profit and Loss for March 31, 2020 ₹ 224.54 Lakh (March 31, 2019 ₹ 173.75 Lakh)

An aggregate amount of ₹ 74.67 Lakh 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

Foreign Travelling Expenses	₹ 28.40 Lakh (March 31, 2019 ₹ 74.79 Lakh)
Professional Fees	₹ 16.48 Lakh (March 31, 2019 ₹ Nil)
Training & Development	₹ 50.25 Lakh (March 31, 2019 ₹ Nil)
Director Sitting Fees	₹ 1.50 Lakh (March 31, 2019 ₹ 2.85 Lakh)

NOTE 47. CONTINGENT LIABILITIES

Income Tax matters under dispute: March 31, 2020 ₹ 86.91 Lakh (March 31, 2019 ₹ NIL)

NOTE 48. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2020 ₹ 35.50 Lakh (March 31, 2019 ₹ 17.50 Lakh)

b) Amount payable towards acquisition of Property for March 31, 2020 ₹ 596.31 Lakh (March 31, 2019 ₹ 596.31 Lakh)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31, 2020 ₹ 57,200.49 Lakh (March 31, 2019 ₹ 72,394.57 Lakh)

NOTE 49. The company has reported frauds aggregating ₹ 120.62 Lakh (March 31, 2019 : ₹ 411.74 Lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

NOTE 50. 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

(₹in Lakh)

Particulars	Amount O/S	Amount Overdue
LIABILITIES SIDE		
1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
a) Debentures:		
Secured	15,000.00	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
b) Deferred Credits	-	-
c) Term Loans	186,767.75	-
d) InterCorporate loans and borrowings	-	-
e) Commercial Paper	-	-
f) Other Loans (Cash Credit & Overdraft Facility)	4,462.17	-
Total	**206,229.92**	**-**

Particulars	Amount Outstanding
ASSETS SIDE	
2 Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	
a) Secured	310,841.09
b) Unsecured	43.47
3 Breakup of Leased Asets 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) Repossed 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	308.50
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	24,555.20
iv) Government Securities	-
v) Others (please specify)	-
- Certificate of Deposits	-
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	17,610.50
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others	-

Category		Amount net of Provisions		
		Secured	Unsecured	Total
5	Borrower groupwise classification of assets financed as in (2) and (3) above:			
	1. Related Parties			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
	2. Other than related parties	305,523.26	43.47	305,566.73
	Total	**305,523.26**	**43.47**	**305,566.73**

		Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
6	Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	1. Related Parties		
	a) Subsidiaries	23,153.19	17,500.00
	b) Companies in the same group	-	-
	c) Other related parties	-	-
	2. Other than related parties	24,863.70	24,863.70
	Total	**48,016.89**	**42,363.70**

Particulars		Amount
7	Other information	
	i) Gross Non Performing Assets	
	a) Related Parties	-
	b) Other than related parties	8,431.16
	ii) Net Non Performing Assets	
	a) Related Parties	-
	b) Other than related parties	2,775.43
	iii) Assets acquired in satisfaction of debt	-

NOTE 51. 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 52. Disclosure as required under Annexure XIV of Master Direction - Non - Banking Finacial Company systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016

Note 1 : The Figures for March 31, 2019 are as per RBI Regulations which have been taken from the Financial Statements of earlier year.

Note 2 : Figures in Note no 52.2 to Note no. 52.12 are provided as per RBI Regulations considering these are specifically defined under the RBI prudential norms.

52.1 Disclosure for CRAR :-

CRAR	Items	As at March 31, 2020	As at March 31, 2019
i)	CRAR (%)	38.00%	34.47%
ii)	CRAR - Tier I Capital (%)	37.21%	33.95%
iii)	CRAR - Tier II Capital (%)	0.79%	0.52%
iv)	Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

52.2 Asset Liability Profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off balance sheet

(₹ in Lakh)

Particulars				As at March 31, 2020	As at March 31, 2019
1	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	42,474.20	18,499.37
		(b)	Outside India,	Nil	13.08
	(ii)	Provisions for Depreciation			
		(a)	In India	110.50	Nil
		(b)	Outside India,	Nil	Nil
	(iii)	Net Value of Investments			
		(a)	In India	42,363.70	18,499.37
		(b)	Outside India.	Nil	13.08
2	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		Nil	75.88
	(ii)	Add: Provisions made during the year		110.50	Nil
	(iii)	Less: Write-off/write-back of excess provisions during the year		Nil	75.88
	(iv)	Closing balance		110.50	Nil

52.3 Derivatives

The Company has not entered into any derivative transactions.

52.4 Disclosures relating to Assignment

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in Lakh)

Sr. No	Particulars	Current Year	Previous Year
(i)	No. of accounts	5	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	4,700.33	-
(iii)	Aggregate consideration*	4,635.00	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	-
(v)	Aggregate (gain) / loss over net book value	65.33	-

* The Company has received entire consideration in Cash.

52.5 Maturity Pattern of Assets & Liabilities as at March 31, 2020

(₹ In Lakh)

	1 Day to 30/31 days (One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
LIABILITIES									
Borrowing from Banks (Refer Note iii)	3,775.29	2,549.52	6,884.66	18,798.70	27,785.03	76,122.97	46,607.00	8,706.75	191,229.92
	(14,989.33)	(3,671.92)	(7,099.55)	(14,930.01)	(28,281.76)	(78,784.02)	(36,696.07)	(20,672.62)	(205,125.28)
Market Borrowings	-	-	-	-	-	-	-	15,000.00	15,000.00
	-	-	-	-	(5,000)	-	-	-	(5,000)
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Assets									
Advances	7,485.97	10,294.50	4,100.00	18,335.00	33,051.00	104,120.00	45,577.00	87,921.09	310,884.56
	(12,510.60)	(4,511.58)	(6,150.35)	(22,677.86)	(49,429.31)	(102,356.55)	(45,856.64)	(87,618.80)	(331,111.69)
Investments	20,000.00	4,555.20	-	-	308.50	-	-	17,500.00	42,363.70
	-	-	-	-	(694.36)	-	-	(17,818.08)	(18,512.44)
Foreign Currency assets	-	-	-	-	-	-	-	-	-

Note :

i) Information on the maturity pattern is based on the reasonable assumptions made by the management before considering impact of RBI Circular Dated March 27,2020.

ii) Figures of Previous years are given in brackets

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

(₹ in Lakh)

Category	As at March 31, 2020	As at March 31, 2019
52.6 Exposures		
Exposure to Real Estate Sector		
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; (Individual housing loans up to ₹ 15 Lakh may be shown separately)	-	-
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates(office buildings, retail space, multipurpose commercial premises, multi-family residential buldings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	96,081.93	120,092.83
iv) Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposure on National Housing Bank(NHB) and Housing Finance Companies(HFCs.)*	17,500.00	17,500.00
* investment made in wholly owned housing Finance Subsidiary Registered with the National Housing Bank.		
52.7 Exposure to Capital Market		
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;	308.50	932.62
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	308.50	932.62
52.8 Details of financing of parent company products	Not Applicable	Not Applicable
52.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Not Applicable	Not Applicable
52.10 Unsecured Advances	43.47	180.65

52.11

i.	RBI Registration No.	B-13.01882
ii.	Penalties, if any, levied by any regulator;	NIL
iii.	Ratings assigned by credit rating agencies and migration of ratings during the year;	

(₹ in Lakh)

Sr. No.	Instrument	Rating assigned	Agency	Date of Rating	Amount
1	Long Term Bank Facilities	A+	CARE	28-06-2019	450,000
2	Cash Credit	AA	Infomerics	06-02-2019	12,000
3	Long Term Bank Facilities	AA	Infomerics	06-02-2019	438,000
4	Non convertible debentures	AA	Infomerics	06-02-2019	30,000
5	Commercial paper	A1+	Infomerics	06-02-2019	35,000
6	Long Term Bank Facilities	AA-	Brickwork Ratings	09-07-2019	450,000
7	Cash Credit	AA-	Brickwork Ratings	09-07-2019	12,000

52.12 Additional Disclosures

a) Provisions and Contingencies

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2020
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions for depreciation on Investment	110.50	Nil
Provision towards NPA	981.09	617.24
Provision made towards Income tax_	5389.08	4869.75
Other Provision and Contingencies		
Provision for Standard Assets_	1097.40	157.50
Floating Provision Against Standard Asset	-	-
Provision for Depreciation	847.20	487.86
Provision for Gratuity	115.82	92.42
Provision for Compensated Absence	109.19	129.50

b) Draw Down from Reserves

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

c) Concentration of Public deposits, Advances, Exposures and NPAs

There are no Public Deposits during the year ended March 31, 2020. Hence Related Disclosures are not applicable.

d) Concentration of Advances

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2020
Total Advances to twenty largest borrowers	43,100.29	54,584.42
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	13.75%	16.49%

e) Concentration of Exposures

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2020
Total Exposure to twenty largest borrowers/customers	47,526.00	63,214.09
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	12.82%	15.95%

f) Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2020
Total Exposure to top four NPA accounts (Gross)	769.50	1,202.48

g) Sector-wise NPAs

		Percentage of NPAs to Total Advances in that sector	
Sl. No.	Sector	As at March 31, 2020	As at March 31, 2020
1.	Agriculture & allied activities	Nil	Nil
2.	MSME	4.04%	2.76%
3.	Corporate borrowers	0.17%	0.14%
4.	Services	Nil	Nil
5.	Unsecured personal loans	Nil	Nil
6.	Auto loans	Nil	Nil
7.	Other personal loans	Nil	Nil

h) Movement of NPAs

(₹ in Lakh)

	Particulars		As at March 31, 2020	As at March 31, 2020
(i)	Net NPAs to Net Advances (%)		0.90%	0.62%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	5,600.04	4,386.33
	(b)	Additions during the year	5,079.80	6,227.75
	(c)	Reductions during the year	2,248.68	5,014.04
	(d)	Closing balance	8,431.16	5,600.04
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	4,448.52	3,388.34
	(b)	Additions during the year	3,217.02	5,425.70
	(c)	Reductions during the year	1,830.7	4,365.52
	(d)	Closing balance	5,834.84	4,448.52
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	1,151.52	997.99
	(b)	Provisions made during the year	1,862.78	802.05
	(c)	Write-off/write-back of excess provisions	417.98	648.52
	(d)	Closing balance	2,596.32	1151.52

i) Overseas Assets

Particulars	Country	As at March 31, 2020	As at March 31, 2020
Capri Global Capital (Mauritius) Ltd	Mauritius	Nil	13.08

j) Off-balance Sheet SPVs sponsored : Not Applicable.

k) Customer Complaints

	Particulars	Current Year	Previous Year
(a)	No. of complaints pending at the beginning of the year	-	1
(b)	No. of complaints received during the year	43	42
(c)	No. of complaints redressed during the year	43	43
(d)	No. of complaints pending at the end of the year	-	-

52.13 (A) Provisioning Details as on March 31, 2020

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Number of Accounts	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2			3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets								
Standard	Stage 1*			276,576.67	1,490.93	275,085.74	1,708.62	(217.70)
	Stage 2*			29,473.04	1,230.59	28,242.45	1,591.54	(360.95)
Subtotal				**306,049.71**	**2,721.52**	**303,328.19**	**3,300.17**	**(578.65)**
Non-Performing Assets (NPA)								
Substandard	Stage 3	245	182.08	5,364.79	1,474.07	3,890.72	536.48	937.59
Doubtful - up to 1 year	Stage 3	59	361.63	1,794.76	491.60	1,303.16	358.95	132.65
1 to 3 years	Stage 3	21	404.56	940.94	299.98	640.96	282.28	17.70
More than 3 years	Stage 3	-	-	-	-	-	-	-
Subtotal for doubtful	-	-	-	8,100.49	2,265.65	5,834.84	1,177.71	1,087.94
Loss	Stage 3	10	150.87	330.67	330.67	-	330.67	-
Subtotal for NPA	**-**	**-**	**-**	**8,431.16**	**2,596.32**	**5,834.84**	**1,508.38**	**1,087.94**
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	-	-	47,385.63	298.29	47,087.35	-	298.29
	Stage 2	-	-	4,093.86	39.39	4,054.46	-	39.39
	Stage 3	-	-	0.95	0.22	0.74	-	0.22
Subtotal		**-**	**-**	**51,480.44**	**337.89**	**51,142.55**	**-**	**337.89**
Total	Stage 1	-	-	323,962.30	1,789.21	322,173.09	1,708.62	80.59
	Stage 2	-	-	33,566.90	1,269.98	32,296.91	1,591.54	(321.56)
	Stage 3	-	-	8,432.11	2,596.53	5,835.58	1,508.38	1,088.15
	Total	**-**	**-**	**365,961.31**	**5,655.73**	**360,305.58**	**4,808.55**	**847.18**
		-	**-**	**365,961.31**	**5,655.73**	**360,305.58**	**4,808.55**	**847.18**

* Includes in stage 1 & Stage 2, ₹ 2075.97 Lakh towards 5% provision under IRACP as per RBI Circular No. RBI/2019-20/220 dated April 17, 2020 against respective amounts in SMA/overdue categories where the moratorium/ deferremnt was extended in terms of Para 2 & para 3 thereof. IND AS ECL Provisioning is higher compare to RBI IRAC Norms and hence there is no transfer made to impairment reserve.Details as given below;

The Board of Director of the Company has approved the ECL Policy in its meeting held on May 9, 2020

(₹ in Lakh)

DPD's	Amounts where Asset Classification benefit was extended	Provision
0	264,530.38	
1-29	12,046.28	602.31
30-59	15,728.82	786.44
60-89	13,744.22	687.21
	306,049.71	**2,075.97**

NOTE 53. PREVIOUS YEAR FIGURES

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group
Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To The Members of Capri Global Capital Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of Capri Global Capital Limited ("the Parent"/ "the Holding Company") and its subsidiaries, (the Parent/ Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2020, and their Consolidated Profit, their Consolidated Total Comprehensive Income, their consolidated cash flows and their Consolidated Changes in Equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 34 to the Consolidated Financial Statements, which describes that the potential impact of the COVID-19 Pandemic on the Group's Consolidated Financial Statements are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Sr. No.	Key Audit Matter	Auditors' Response
1	**Revenue Recognition:** The Holding Company and its housing subsidiary recognizes interest income using the effective rate of interest method ("EIR") as prescribed under IND AS 109. The recognition of Interest income as per the EIR requires a complex computation involving the contractual interest rate and transaction costs. The completeness and accuracy of the interest income computed on EIR basis therefore is KAM. Relevant reference in the Accounts :- Accounting policies - Point no. 2.6 (i) Note 23 of the Consolidated Financial Statements.	**Our response to the risk** We have tested the design and operating effectiveness of the controls directly associated with the calculation and reporting of interest income using EIR on loans to customers and tested a sample of loans and recomputed EIR interest income for those loans. We tested the portfolio level computations of interest income on EIR basis and traced the total EIR income to the Consolidated Financial Statements.
2	**Impairment of loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, and • Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:	**Principal audit procedures performed:** We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, multiple economic scenarios, individual provisions and production of journal entries and disclosures.

Sr. No.	Key Audit Matter	Auditors' Response
	• Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars; • Accounting interpretations, modelling assumptions and data used to build and run the models; • Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios; • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and • The disclosures made in Financial Statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer Note 34 to the Consolidated Financial Statements.	We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2020 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. For exposure determined to be individually impaired, we tested a samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "Reports"), but does not include the Consolidated Financial Statements and our Auditors' Report thereon. The Reports are expected to be made available to us after the date of this Auditors' Report.

- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated Cash flows and Consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Consolidated Financial Statements includes the Unaudited Financial Statements of one subsidiary, whose Financial Statements reflect total assets of ₹ Nil as at December 15, 2019 and total revenues of ₹ Nil, total net loss after tax of ₹ 0.18 Lakh and total comprehensive loss of ₹ 0.18 Lakh for the period December 15, 2019, as considered in the Statement. These Financial Statements are Unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such Unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated

Financial Statements have been kept by the Holding Company so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Company and the Reports of the statutory auditors of Subsidiary Companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and Subsidiary Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

    i) The Holding Company has disclosed the impact of pending litigations on the Consolidated Financial position of the Group in Note 48 to its Consolidated Financial Statements as at March 31, 2020

    ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.

    ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN : 20109839AAAAGA7611

Place: Mumbai
Date: May 9, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Capri Global Capital Limited (hereinafter referred to as "the Holding Company" / "Parent") and its Subsidiary Companies, incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its Subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN : 20109839AAAAGA7611

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED BALANCE SHEET
As at March 31, 2020

(₹ in Lakh)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS				
1	**Financial assets**			
(a)	Cash and cash equivalents	3	6,232.59	15,043.01
(b)	Bank Balance other than above	4	1,187.61	1,867.53
(c)	Receivables	5	88.68	862.70
(d)	Loans	6	393,327.98	402,221.09
(e)	Investments	7	36,072.69	932.62
(f)	Other financial assets	8	230.30	228.48
Total Financial Assets			**437,139.85**	**421,155.43**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	9	930.10	610.46
(b)	Deferred tax assets	10	1,518.40	2,334.91
(c)	Investment Properties	11	88.23	109.74
(d)	Property, plant and equipment	12	782.92	1,066.53
(e)	Other Intangible assets		2,352.53	190.71
(f)	Intagible Assets under development		36.37	14.06
(g)	Other non financial assets	13	1,698.60	2,219.43
Total Non-Financial Assets			**7,407.15**	**6,545.84**
Total Assets			**444,547.00**	**427,701.27**
EQUITY AND LIABILITIES				
Liabilities				
1	**Financial Liabilities**			
(a)	Payables			
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,302.75	1,480.17
(b)	Debt Securities	15	15,000.00	4,994.84
(c)	Borrowings (Other than Debt Securities)	16	268,661.21	271,875.65
(d)	Other Financial liabilities	17	3,189.87	9,514.86
Total Financial Liabilities			**288,153.83**	**287,865.52**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	18	1,171.23	142.28
(b)	Provisions	19	867.25	766.88
(c)	Other non-financial liabilities	20	436.20	658.67
Total Non-Financial Liabilities			**2,474.68**	**1,567.83**
Total Liabilities			**290,628.51**	**289,433.35**
3	**Equity**			
(a)	Equity Share Capital	21	3,502.70	3,502.70
(b)	Other Equity	22	150,415.79	134,765.22
Total Equity			**153,918.49**	**138,267.92**
Total Equity and Liabilities			**444,547.00**	**427,701.27**

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2020

(₹ in Lakh)

Particulars		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS				
(i)	Interest income	23	66,996.18	53,073.96
(ii)	Dividend income		27.33	52.25
(iii)	Fee and commission income	24	503.55	759.89
(iv)	Net gain on fair value changes	25	1,228.29	532.42
(v)	Other operating income	26	2,854.76	4,439.89
(I)	**Total Revenue from operations**		**71,610.11**	**58,858.41**
(II)	**Other Income**	27	340.21	271.53
(III)	**Total Income (I + II)**		**71,950.32**	**59,129.94**
EXPENSES				
(i)	Finance cost	28	28,280.17	20,710.25
(ii)	Net loss on fair value changes	25 A	624.12	200.85
(iii)	Impairment of financial instruments	29	2,992.26	985.52
(iv)	Employee benefit expenses	30	11,880.70	11,754.79
(v)	Depreciation, amortization and impairment		1,078.35	664.23
(vi)	Other expenses	31	4,896.56	6,145.44
(IV)	**Total Expenses**		**49,752.16**	**40,461.08**
(V)	**Profit before tax (III- IV)**		**22,198.16**	**18,668.86**
(VI)	Tax Expense:			
	- Current tax		6,060.34	5,752.90
	- Deferred tax		(50.39)	(650.34)
	- Earlier years adjustments		64.83	-
(VII)	**Total tax expense**		**6,074.78**	**5,102.56**
(VIII)	**Net profit after tax**		**16,123.38**	**13,566.30**
(IX)	**Other Comprehensive Income**			
	(i) Items that will not be classified to profit and loss - Remeasurement of defined benefit plans		37.74	2.99
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(9.44)	(0.92)
	Other Comprehensive Income		28.30	2.07
(X)	**Total Comprehensive Income (VIII + IX)**		**16,151.68**	**13,568.37**
(XI)	**Earnings per equity share**			
	Basic (₹)		9.21	7.75
	Diluted (₹)		9.15	7.70

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

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Independent Director
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Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2020

(₹ in Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
OPERATING ACTIVITIES		
Profit before tax from continuing operations	22,198.16	18,668.86
Profit before tax	22,198.16	18,668.86
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS:		
Depreciation & amortisation	1,078.35	664.23
Impairment on financial instruments	2,992.26	985.52
Net loss on financial asset designated at FVPL	466.69	200.85
Loss/(Gain) on sale of Fixed Assets	31.36	(7.62)
Share Based Payments to employees	272.30	167.27
Dividend income	(27.33)	(52.25)
Interest on Leased Assets	250.91	-
Operating Profit before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**27,262.70**	**20,626.86**
WORKING CAPITAL CHANGES		
Loans	6,374.18	(123,470.51)
Trade receivables and contract asset	772.20	(763.71)
Other Non-financial Assets	53.92	677.87
Trade payables and contract liability	(177.42)	(16.06)
Other financial liability	(8,640.78)	(2,908.71)
Other Non-financial liability	(222.48)	322.83
Provision	131.69	154.44
Cash flows used in operating activities	**25,554.01**	**(105,377.01)**
Income tax paid	(4,558.40)	(6,145.80)
Net cash flows from/(used in) operating activities	**20,995.61**	**(111,522.81)**
INVESTING ACTIVITIES		
Purchase of fixed and intangible assets	(354.87)	(552.73)
Intangible Assets Under Development	(22.31)	(14.06)
Loss on Cessation of Subsidiary	(13.30)	-
Proceeds from sale of property and equipment	99.61	65.86
Proceeds from sale of Investment Property	21.51	-
Proceeds from Maturity of Fixed Deposits	680.11	76.25
Purchase/Sale of investment	(35,606.77)	4,427.22
Dividend received	27.33	52.25
Net cash flows from/(used in) investing activities	**(35,168.69)**	**4,054.79**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2020

(₹ in Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
FINANCING ACTIVITIES		
Debt securities issued	10,005.16	(19,767.13)
Payments for the principal portion of the lease liability	(416.86)	-
Payments for the interest portion of the lease liability	(250.91)	-
Borrowings other than debt securities issued	(3,214.44)	140,023.29
Dividends paid including DDT	(760.11)	(633.40)
Net cash flows from financing activities	5,362.84	119,622.76
Net increase in cash and cash equivalents	**(8,810.24)**	**12,154.74**
Cash and cash equivalents as at April 1, 2019	15,045.19	2,890.45
Cash and cash equivalents as at March 31, 2020	**6,234.95**	**15,045.19**
Components of cash and cash equivalents		
Cash on hand	23.23	41.30
Balances with banks		
- In current accounts	6,209.36	8,301.71
- In Unpaid Dividend Account	2.36	2.18
- Current maturities of fixed deposits with Original Maturity of Less than 3 Months	-	6,700.00
Total cash and cash equivalents	**6,234.95**	**15,045.19**
1. Operational cash flows from interest and dividends		
Interest paid	28,039.56	20,678.24
Interest received	66,182.24	50,933.51
Dividend received	27.33	52.25

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

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

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DIN 01569098

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Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

As at March 31, 2018	Changes in equity share capital during the year 2018-19	As at March 31, 2019	Changes in equity share capital during the year 2019-20	**As at March 31, 2020**
3,502.70	-	3,502.70	-	3,502.70

B. OTHER EQUITY

(₹ in Lakh)

	Reserves and Surplus						Other Comprehensive Income	
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (Gratuity - OCI)	Total
Balance as at April 1, 2018	**6,420.53**	**44,710.06**	**54,200.09**	**139.01**	**15,900.00**	**281.00**	**11.67**	**121,662.36**
Dividends #	-	-	(633.40)	-	-	-	-	(633.40)
Transfer from retained earnings	-	-	(2,710.40)	-	2,580.00	140.00	(9.60)	-
Transfer to retained earnings	-	-	13,568.37	167.89	-	-	-	13,736.26
Balance as at April 1, 2019	**6,420.53**	**44,710.06**	**64,424.67**	**306.90**	**18,480.00**	**421.00**	**2.07**	**134,765.22**
Dividends##	-	-	(760.11)	-	-	-	-	(760.11)
Transfer from retained earnings	-	-	(3,238.65)	-	2,720.35	490.00	28.30	-
Loss on Cessastion of Subsidiaries	-	-	(13.30)	-	-	-	-	(13.30)
Transfer to retained earnings	-	-	16,151.68	272.30	-	-	-	16,423.98
Balance as at March 31, 2020	**6,420.53**	**44,710.06**	**76,564.28**	**579.20**	**21,200.35**	**911.00**	**30.37**	**150,415.79**

During the FY 2018-19 the Company has paid the dividend of ₹ 633.40 Lakh (including dividend distribution tax of ₹ 108.00 Lakh) at ₹ 0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2018.

During the FY 2019-20 the Company has paid the dividend of ₹ 760.11 Lakh (including dividend distribution tax of ₹ 129.62 Lakh) at Re.0.36 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2019.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

Sd/-
G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

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Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

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 Financial Statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on May 09, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of Financial Statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 2.15- Significant accounting judgements, estimates and assumptions.

The Financial Statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

2.2 Presentation of Financial Statements

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

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/ or its counterparties

2.3 Statement of compliance

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

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

2.4 Basis of Consolidation

The Consolidated Financial Statements relate to Capri Global Capital Limited (the holding Company) and its wholly owned subsidiary companies which are as follows.

1) Capri Global Housing Finance Limited

2) Capri Global Resources Private Limited

3) Capri Global Asset Reconstruction Private Limited (Till December 30 , 2019)

4) Capri Global Capital (Mauritius) Limited (Till December 15, 2019)

(i) Principles of Consolidation:

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

a) The Financial Statements of Group have been combined on a line by line basis of like items of assets, liabilities, equity, income, expenses and cash flows of the holding with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements as at March 31, 2020.

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

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

d) The Financial Statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the holding Company i.e. period ended on March 31, 2020.

2.5 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

These Financial Assets comprise 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) Financial instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

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

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

(iv) Debt securities and other borrowed funds

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

(v) Reclassification

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

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds are received by the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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

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

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

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

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

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

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

b) ***Financial liabilities***

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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

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

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

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

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances up to 0-29 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 30 to 89 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. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the group on terms that the group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

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

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

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender 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 at a future default date including the undrawn commitments.

Collateral Valuation

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

Collateral repossessed

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the Balance Sheet.

(viii) Write-offs

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

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note.40) at fair value on each Balance Sheet date.

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

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the

Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

2.6 Revenue from operations

(i) Interest Income

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

The EIR is computed

a. 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.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Dividend Income

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

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable.

(iv) Net gain on Fair value changes

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

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVTOCI 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 contractual life of the loan.

2.7 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. 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.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

The Group fully contributes all ascertained liabilities to the respective Trusts created for this 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.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases Rent:

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

The Group assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

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

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

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

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

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

Adoption of Ind AS 116

Effective April 1, 2019, the Group has adopted Ind AS 116, "Leases" ("Ind AS 116"). As a result, the Group has changed its accounting policy for accounting of leasing arrangements, which has been detailed below.

The Group applied the "Modified Retrospective Approach" on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Group has elected the available practical expedients which allows the Group not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Group has also elected the practical expedient to not separate lease and non-lease components for all of its leases, non-capitalization of short-term leases (leases with a term of twelve months or less) and low value leases (leases for which the underlying asset is of low value).

The most significant effects of this new standard on the Group relate to the recognition of new right-of-use ("ROU") assets and lease liabilities on its financial position for various real estate operating leases. Lease liability and ROU assets have been separately presented in the financial position and the payment of principal portion of lease liabilities has been classified as financing cash flows.

The difference between the lease obligation disclosed as at March 31, 2019 under Ind AS 17 "Leases" disclosed under Note 44 of the Group's Financial Statements included in the Group's annual report for the year ended March 31, 2019, and the value of the lease liabilities as at April 1, 2019 is primarily on account of the inclusion of extension and termination options reasonably certain to be exercised, the practical expedient to not separate lease and non-lease components in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit can be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Cash and cash equivalents

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

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

2.9 Property, plant and equipment

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

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

Depreciation

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

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

2.10 Intangible assets

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

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

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

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

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

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

2.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Act or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each Financial Year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each Financial Year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

2.12 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.

2.13 Contingent Liabilities

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

2.14 Earning Per Share

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

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

2.15 Significant accounting judgements, estimates and assumptions

The preparation of Fnancial 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.

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

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(iii) Effective Interest Rate (EIR) method

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

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

(iv) Lease accounting

The Group determines the lease term as the non-cancellable period of a lease including any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in respective geographies.

2.16 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months.

NOTE 3. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Cash on hand	23.23	41.30
(ii) Balances with banks:		
- In Current Accounts	6,209.36	8,301.71
- In Deposit accounts with original maturity of 3 months or less	-	6,700.00
Total	**6,232.59**	**15,043.01**

NOTE 4. BANK BALANCES OTHER THAN ABOVE

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
- Original Maturity more than 3 months	1,185.25	1,865.35
- Unclaimed Dividend Account	2.36	2.18
Total	**1,187.61**	**1,867.53**

The Fixed deposits have been kept as lien with banks against Overdraft facility availed by Group.

NOTE 5. RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED CONSIDERED GOOD		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Outstanding for a period less than six months	88.68	862.70
Total	**88.68**	**862.70**

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

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 6. LOANS

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amortised cost	**Total**	Amortised cost	Total
A				
Loans	399,298.52	399,298.52	405,577.50	405,577.50
Others:				
Loan to employees	45.07	45.07	140.28	140.28
Total – Gross (A)	**399,343.59**	**399,343.59**	**405,717.78**	**405,717.78**
Less : Expected Credit Loss	(6,015.61)	(6,015.61)	(3,496.69)	(3,496.69)
Total – Net (A)	**393,327.98**	**393,327.98**	**402,221.09**	**402,221.09**
B				
(a) Secured by tangible assets and intangible assets	399,298.52	399,298.52	405,577.50	405,577.50
(b) Unsecured	45.07	45.07	140.28	140.28
Total - Gross (B)	**399,343.59**	**399,343.59**	**405,717.78**	**405,717.78**
Less : Expected Credit Loss	(6,015.61)	(6,015.61)	(3,496.69)	(3,496.69)
Total - Net (B)	**393,327.98**	**393,327.98**	**402,221.09**	**402,221.09**
C				
Loans in India				
i) Public Sector	-	-	-	-
ii) Others	399,343.59	399,343.59	405,717.78	405,717.78
Total - (C) Gross	**399,343.59**	**399,343.59**	**405,717.78**	**405,717.78**
Less: Expected Credit Loss (C)	(6,015.61)	(6,015.61)	(3,496.69)	(3,496.69)
Total - (C) Net	**393,327.98**	**393,327.98**	**402,221.09**	**402,221.09**

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

Note 2 - Term loans are secured against tangible assets kept as collateral of immovable property and portfolio hypothecation (Book Debt Receivable)

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

NOTE 7. INVESTMENTS

(₹ in Lakh)

Investments	As at March 31, 2020 At Fair Value Through profit and loss	As at March 31, 2020 Total	As at March 31, 2019 At Fair Value Through profit and loss	As at March 31, 2019 Total
i) Other approved securities (Bonds)	-	-	-	-
ii) Equity instruments	308.50	308.50	932.62	932.62
iii) Mutual funds	35,764.19	35,764.19	-	-
Total - Gross (A)	**36,072.69**	**36,072.69**	**932.62**	**932.62**
i) Investments outside India	-	-	-	-
ii) Investments in India	36,072.69	36,072.69	932.62	932.62
Total (B)	**36,072.69**	**36,072.69**	**932.62**	**932.62**

Particulars	As at March 31, 2020 Numbers/Units	As at March 31, 2019 Numbers/Units
INVESTMENT IN MUTUAL FUNDS		
1. Axis Money Market Fund - Direct Growth	95,940.54	-
2. PGIM India Money Market Direct Growth	49,982.78	-
3. HDFC Money Market Fund - Direct Plan - Growth	71,446.04	-
4. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	23,347,248.29	-
5. ICICI Pru. Money Market Fund Direct Growth	359,696.83	-
6. ICICI Pru. Floating Interest Fund -Direct Growth	1,581,123.16	-
7. Mirae Asset Saving Fund - Direct Plan - Growth	28,296.04	-
8. SBI Saving Fund Direct Growth	3,100,996.35	-
9. Nippon Ultra Short Duration Fund Dg	64,856.53	-
10. Sundaram Money Market Fund (176mmdg)	8,957,282.72	-
11. Sundaram Ultra Short Term Fund	952,253.85	-
12. UTI Corporate Bond Fund DG	8,493,795.28	-
13. Kotak Liquid Fund	35,027.76	-
14. SBI Liquid Fund	64,367.05	-
15. HDFC Liquid Fund	5,123.17	-
16. ABSL Liquid Fund	219,141.72	-
17. SBI Liquid Fund	22,523.13	-
18. ICICI Prudential Liquid Fund - Direct Plan	1,584,116.03	-
19. ICICI Prudential Ultra Short Fund - Direct Plan	23,072,613.14	-
INVESTMENT IN EQUITY		
1. Equity Shares of CARE Ratings Limited of ₹ 10/- each fully paid up	94,242	94,242

NOTE 8. OTHERS FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	230.30	228.48
Total	**230.30**	**228.48**

NOTE 9. CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax (net of provision for tax)	930.10	610.46
Total	**930.10**	**610.46**

NOTE 10. DEFERRED TAX ASSETS (NET)

The major components of deferred tax assets and liabilities are :

(₹ in Lakh)

	As at March 31, 2020		As at March 31, 2019	
Particulars	Assets	Liabilities	Assets	Liabilities
a) Depreciation	213.27	-	259.18	-
b) Provision for employee benefits	95.42	-	79.87	-
c) Amortised Finance Cost	-	94.26	-	104.92
d) Provisions for loans	972.83	-	726.37	-
e) MAT Credit Entitlement	80.81	-	36.25	-
f) Others	250.33	-	1,338.16	-
Total	**1,612.66**	**94.26**	2,439.83	104.92
Net Deferred Tax Assets		**1,518.40**		2,334.91

NOTE 11. INVESTMENT PROPERTIES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Properties*	88.23	109.74
Total	**88.23**	**109.74**

(₹ in Lakh)

Cost or Deemed Cost	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	109.74	109.74
Additions during the year	-	-
Disposals	21.51	-
Balance at the end of the year	**88.23**	**109.74**

*Investment properties are in the nature of freehold properties and the fair value of properties is ₹ 251.19 Lakh

NOTE 12. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Property, plant and equipment

(₹ in Lakh)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Buildings :										
Buildings	27.00	-	-	27.00	2.59	1.19	-	3.78	23.22	24.41
Leasehold Premises	228.50	-	-	228.50	100.76	33.07	-	133.83	94.67	127.74
Computer Hardware	843.69	111.47	75.07	880.09	624.43	166.99	71.23	720.19	159.90	219.26
Furniture and Fixtures	652.34	4.67	171.10	485.91	367.86	71.57	152.62	286.81	199.10	284.48
Office Equipments	360.59	16.39	53.47	323.51	257.70	50.12	50.06	257.76	65.75	102.89
Vehicles	539.30	127.41	111.05	555.66	286.37	75.79	7.58	354.58	201.08	252.93
Electrical Installation	128.19	-	29.08	99.11	73.37	13.86	27.32	59.91	39.20	54.82
Total	2,779.61	259.94	439.77	**2,599.78**	1,713.08	412.59	308.81	**1,816.86**	**782.92**	1,066.53

Intangible assets:

(₹ in Lakh)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	499.44	94.92	-	594.36	308.73	103.73	-	412.46	181.90	190.71
Right of Use *	-	2,732.66	-	2,732.66		562.03	-	562.03	2,170.63	-
Royalty	705.40	-	705.40	-	705.40	-	705.40	-	-	-
Total	1,204.84	2,827.58	705.40	**3,327.02**	1,014.13	665.76	705.40	**974.49**	**2,352.53**	190.71

* refer note no. 38

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Forming part of Consolidated Financial Statements

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block: As at April 01, 2018	Additions	Deductions	As at March 31, 2019	Depreciation and Amortisation: As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	Net Block: As at March 31, 2019	As at March 31, 2018
Buildings :										
Buildings	27.00	-	-	27.00	1.29	1.30	-	2.59	24.41	25.71
Leasehold Premises	227.62	0.88	-	228.50	54.45	46.31	-	100.76	127.74	173.17
Computer Hardware	694.08	168.89	19.28	843.69	418.71	224.04	18.32	624.43	219.26	275.37
Furniture and Fixtures	624.15	30.59	2.40	652.34	267.61	100.90	0.65	367.86	284.48	356.54
Office Equipments	314.54	49.17	3.12	360.59	189.65	70.76	2.71	257.70	102.89	124.89
Vehicles	483.62	180.84	125.16	539.30	304.14	52.26	70.03	286.37	252.93	179.48
Electrical Installation	128.05	0.14	-	128.19	52.68	20.69	-	73.37	54.82	75.37
Total	**2,499.06**	**430.51**	**149.96**	**2,779.61**	**1,288.53**	**516.26**	**91.71**	**1,713.08**	**1,066.53**	**1,210.53**

Intangible assets:

(₹ in Lakh)

Particulars	Gross Block: As at April 01, 2018	Additions	Deductions	As at March 31, 2019	Depreciation and Amortisation: As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	Net Block: As at March 31, 2019	As at March 31, 2018
Software	383.11	116.33	-	499.44	213.29	95.44	-	308.73	190.71	169.82
Royalty	705.40	-	-	705.40	652.87	52.53	-	705.40	-	52.53
Total	**1,088.51**	**116.33**	**-**	**1,204.84**	**866.16**	**147.97**	**-**	**1,014.13**	**190.71**	**222.35**

NOTE 13. OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances/ Asset Under Financing*	1,349.70	1,814.62
Prepaid expenses	155.87	168.26
Deferred lease rentals	110.12	134.23
GST Input Credit	15.20	4.37
Other Assets	67.71	97.95
Total	**1,698.60**	**2,219.43**

* Net of impairment of ₹ 429.81 Lakh (March 31, 2019 ₹ Nil)

NOTE 14. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	643.27	618.34
Accrued Employee Benefit Expense	659.48	861.83
Total	**1,302.75**	**1,480.17**

*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 Group. The amount of principal and interest outstanding during the year is given below.

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Amount outstanding but not due as at year end	-	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
Total	**-**	-

NOTE 15. DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2020 At Amortised Cost	Total	As at March 31, 2019 At Amortised Cost	Total
Non-Convertible Debentures	15,000.00	15,000.00	4,994.84	4,994.84
Commercial papers	-	-	-	-
Total (A)	**15,000.00**	**15,000.00**	**4,994.84**	**4,994.84**
Debt securities in India	15,000.00	15,000.00	4,994.84	4,994.84
Debt securities outside India	-	-	-	-
Total (B)	**15,000.00**	**15,000.00**	**4,994.84**	**4,994.84**

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

(₹ in Lakh)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2020	As at March 31, 2019
Series I Tranche II (FV ₹ 10 Lakh)*	17-02-2020	Bullet payment on maturity	9.50%	-	5,000.00
Series 4 (FV ₹ 10 Lakh)	09-08-2029	Bullet payment on maturity	10.23%	15,000.00	-
		Total		**15,000.00**	**5,000.00**

*On purchase of NCD by the company, the principal and accrued interest was paid to the debenture holder on May 6, 2019

The above Non Convertible Debentures are secured against pari-passu charge on book debts and Immovable Property located at Chennai.

NOTE 16. BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED		
Term Loans from Banks*	248,786.47	261,042.98
Term Loans from others**	15,412.47	-
UNSECURED		
Loan from Director	0.10	-
LOAN REPAYABLE ON DEMAND		
From Banks (Overdraft)***	-	46.08
From Banks (Cash Credit)	4,462.17	10,786.59
Total (A)	**268,661.21**	**271,875.65**
Borrowings in India	268,661.21	271,875.65
Borrowings outside India	-	-
Total (B)	**268,661.21**	**271,875.65**

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts with asset cover in the range of 1.10 to 1.33 times and weighted average cost for FY 19-20 is 10.38%/9.62% p.a.

**First pari-passu charge by way of hypothecation of the company's loan receivables / book debts with asset cover in the range of 1.25 to 1.35 times and weighted average cost for FY 19-20 is 10.50%/7.89% p.a.

***This includes lien on the Company's Term Deposits (refer Note 4)

Terms of repayment, nature of security & rate of interest in case of Borrowings from Banks (Other than Debt Securities)

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
Canara Bank	March 13, 2027	26 quarterly instalments starting from Dec 2020	5,000	-
Syndicate Bank	March 31, 2026	24 quarterly instalments starting from June 2020	5,000	-
State Bank Of India - Term Loan 3	August 31, 2026	24 quarterly instalments starting from Nov 2020	10,000	-
Indian Bank - Term Loan 2	December 31, 2024	18 quarterly instalments starting from Sept 2020	500	-
Union Bank of India - Term Loan 5	May 31, 2026	24 quarterly instalments starting from Aug 2020	15,000	-
Bank of India - Term Loan 3	December 31, 2024	16 quarterly instalments starting from March 2021	2,500	-
Bank of Maharashtra - Term Loan 4	January 13, 2027	24 quarterly instalments starting from April 2021	3,000	-
Andhra Bank - Term Loan 4	December 26, 2026	24 quarterly instalments starting from Mar 2021	1,000	-

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(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
Karnataka Bank - Term Loan 2	December 13, 2022	11 quarterly instalments starting from June 2020	1,000	-
State Bank of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from April 2019	25,000	25,000
Bank of Maharashtra - Term Loan 2	December 31, 2019	12 quarterly instalments starting from Mar 2017	-	20,000
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	20,000	20,000
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	20,000	20,000
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	10,000	10,000
Punjab National Bank - Term Loan	December 31, 2024	24 quarterly instalments starting from Mar 2019	10,000	10,000
State Bank of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	10,000	10,000
Indian Bank - Term Loan	February 15, 2025	24 quarterly instalments starting from Mar 2019	10,000	10,000
Vijaya Bank - Term Loan 2	September 30, 2020	12 quarterly instalments starting from Dec 2017	7,500	7,500
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from March 2020	7,500	7,500
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	5,000	5,000
Andhra Bank - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Mar 2018	5,000	5,000
Bank of India - Term Loan 2	October 13, 2020	12 quarterly instalments starting from Jan 2018	-	5,000
Vijaya Bank - Term Loan 1	February 10, 2020	12 quarterly instalments starting from May 2017	-	5,000
Vijaya Bank - Term Loan 3	March 27, 2021	12 quarterly instalments starting from June 2018	5,000	5,000
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	5,000	5,000
United Bank - Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	5,000	5,000
Punjab and Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	5,000	5,000
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	5,000	5,000
Vijaya Bank - Term Loan 4	March 31, 2024	16 quarterly instalments starting from June 2020	5,000	5,000
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	4,500	4,500
Andhra Bank - Term Loan 1	August 30, 2019	12 quarterly instalments starting from Nov 2016	-	3,000
Andhra Bank - Term Loan 2	February 10, 2020	12 quarterly instalments starting from May 2017	-	3,000
Dena Bank - Term Loan	September 30, 2021	12 quarterly instalments starting from Dec 2018	2,500	2,500
ICICI Bank Limited - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	2,500	2,500
Sinhan Bank - Term Loan	February 20, 2020	8 quarterly instalments starting from May 2018	-	2,500
Kotak Bank Limited - Term Loan	March 31, 2020	24 monthly instalments starting from Mar 2018	-	2,500
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from March 2020	2,500	2,500
Karnataka Bank - Term Loan	March 31, 2021	12 quarterly instalments starting from June 2018	2,000	2,000
HDFC Bank Limited - Term Loan	June 30, 2021	36 monthly instalments starting from July 2018	1,000	1,000
YES Bank Limited - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	500	500
YES Bank Limited - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	300	300
YES Bank Limited - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	300	300
YES Bank Limited - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	300	300
YES Bank Limited - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	200	200
YES Bank Limited - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	200	200
YES Bank Limited - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	200	200
YES Bank Limited - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	500	500
YES Bank Limited - Term Loan 1	March 28, 2022	16 quarterly instalments starting from July 2018	5,000	5,000
YES Bank Limited - Term Loan 1	April 25, 2022	16 quarterly instalments starting from July 2018	7,500	7,500
Union Bank of India - Term Loan 1	November 30, 2025	28 Quarterly Installment starting from Feb 2019	5,000	5,000
Union Bank of India - Term Loan 2	August 30, 2025	24 Quarterly Installment starting from Nov 2019	2,000	2,000
Union Bank of India - Term Loan 2	September 30, 2025	24 Quarterly Installment starting from Dec 2019	5,000	5,000
Union Bank of India - Term Loan 2	November 30, 2025	24 Quarterly Installment starting from Feb 2020	4,000	4,000
Union Bank of India - Term Loan 2	December 31, 2025	24 Quarterly Installment starting from Mar 2020	4,000	4,000
State Bank Of India - Term Loan 1	December 31, 2025	28 Quarterly Installment starting from April 2019	5,000	5,000
State Bank Of India - Term Loan 2	October 31, 2027	28 Quarterly Installment starting from Jan 2021	10,000	-
YES Bank Limited - Term Loan 1	December 30, 2022	20 Quarterly Installment starting from April 2018	500	500
YES Bank Limited - Term Loan 1	April 17, 2023	20 Quarterly Installment starting from July 2018	1,500	1,500
YES Bank Limited - Term Loan 1	April 25, 2023	20 Quarterly Installment starting from 01 July 2018	2,000	2,000
YES Bank Limited - Term Loan 2	July 30, 2023	20 Quarterly Installment starting from Nov 2018	1,000	1,000

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
YES Bank Limited - Term Loan 2	December 31, 2023	20 Quarterly Installment starting from April 2019	1,500	1,500
YES Bank Limited - Term Loan 3	December 31, 2023	20 Quarterly Installment starting from April 2019	2,500	2,500
YES Bank Limited - Term Loan 4	October 19, 2023	20 Quarterly Installment starting from Feb 2019	2,500	2,500
YES Bank Limited - Term Loan 5	October 19, 2023	20 Quarterly Installment starting from Feb 2019	2,500	2,500
Bank of Maharashtra - Term Loan	December 31, 2024	24 Quarterly Installment starting from March 2019	7,500	7,500
Andhra Bank - Term Loan	February 27, 2026	28 Quarterly Installment starting from May 2019	2,500	2,500
Bank of Baroda (Erswhile known as Vijaya Bank) - Term Loan	February 28, 2026	28 Quarterly Installment starting from May 2019	3,000	3,000
United Bank - Term Loan 1	February 28, 2026	28 Quarterly Installment starting from May 2019	2,500	2,500
United Bank - Term Loan 2	August 28, 2027	28 Quarterly Installment starting from Nov 2020	2,500	-
UCO Bank - Term Loan 1	February 28, 2026	28 Quarterly Installment starting from May 2019	5,000	5,000
Punjab and Sind Bank - Term Loan	June 14, 2026	28 Quarterly Installment starting from Sept 2019	2,500	2,500
Indian Bank - Term Loan	August 15, 2026	28 Quarterly Installment starting from Nov 2019	7,500	7,500

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2020	As at March 31, 2019
Small Industries Development Bank of India	June 10, 2024	19 quarterly instalments starting from Dec 2019	10,000	-
National Housing Bank (Refinance)	April 1, 2026	28 Quarterly Installment starting from Oct 2019	200	-
National Housing Bank (Refinance)	April 1, 2034	60 Quarterly Installment starting from Oct 2019	300	-
National Housing Bank (Refinance)		20 Quarterly Installment	6,000	-

NOTE 17. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Book Overdraft	-	8,988.96
Unclaimed dividend	2.36	2.18
Advances from customers	195.45	138.93
Lease Liability	2,315.79	-
Interest Accrued but not due on borrowings	317.76	77.14
Others	358.51	307.65
Total	**3,189.87**	**9,514.86**

NOTE 18. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net of Advance Tax)	1,171.23	142.28
Total	**1,171.23**	**142.28**

NOTE 19. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision on non-fund exposure	379.74	373.31
Provision for employee benefits		
- Gratuity	93.11	101.03
- Compensated Absences	394.40	292.54
Total	**867.25**	**766.88**

NOTE 20. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
OTHER PAYABLES		
Statutory Remittances	94.15	411.37
Others	342.05	247.30
Total	**436.20**	**658.67**

NOTE 21. SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
36,00,00,000 Equity Shares of ₹ 2 each	7,200.00	7,200.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)		
	7,200.00	**7,200.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,51,34,805 Equity Shares of ₹ 2 each	3,502.70	3,502.70
(Previous Year 17,51,34,805 Equity Shares of ₹ 2 each)		
	3,502.70	**3,502.70**

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

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70
Issued during the year	-	-	-	-
Equity shares outstanding as at the end of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70

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

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.73%	6,78,24,643	38.73%
Mr. Rameshchandra Sharma	4,37,64,930	24.99%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	10.00%	1,75,17,060	10.00%

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. The Board of Directors at their meeting held on May 9, 2020 have recommended a dividend of ₹ 0.20 per equity share on face value of ₹ 2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. During the year the Company has paid the dividend of ₹ 760.11 Lakh (including dividend distribution tax of ₹ 129.62 Lakh) at ₹ 0.36 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on August 2, 2019.

3. 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.

NOTE 22. OTHER EQUITY

(₹ In Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
STATUTORY RESERVE PURSUANT TO SECTION 45-IC OF THE RBI ACT, 1934		
Balance as per the last Financial Statements	18,480.00	15,900.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	2,720.35	2,580.00
Closing balance	**21,200.35**	**18,480.00**
STATUTORY RESERVE SECTION 29C OF THE NATIONAL HOUSING BANK ACT, 1987		
Balance as per the last Financial Statements	421.00	281.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	490.00	140.00
Closing balance	**911.00**	**421.00**
SECURITIES PREMIUM		
Balance as per the last Financial Statements	44,710.06	44,710.06
Closing balance	**44,710.06**	**44,710.06**
GENERAL RESERVE		
Balance as per the last Financial Statements	6,420.53	6,420.53
Closing balance	**6,420.53**	**6,420.53**
Employee Stock Option Reserve		
Balance as per the last Financial Statements	306.90	139.01
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	272.30	167.89
Closing balance	**579.20**	**306.90**
RETAINED EARNINGS (SURPLUS/DEFICIT IN STATEMENT OF PROFIT AND LOSS)		
Surplus/(Deficit) in Profit & Loss Account	64,426.73	54,211.76
Profit for the year:	16,151.68	13,568.37
Less: Appropriations		
Loss on Cessastion of Subsidiaries	(13.30)	-
Transfer to Reserve Fund Section 29C of the National Housing Bank Act, 1987	(490.00)	(140.00)
Dividend Paid	(630.49)	(525.40)
Tax on Dividend Paid	(129.62)	(108.00)
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(2,720.35)	(2,580.00)
Closing Balance	**76,594.65**	**64,426.73**
Total	**150,415.79**	**134,765.22**

Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

General reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

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

Every non-banking financial company shall create a reserve fund to 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 and before any dividend is declared.

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

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

Employee Stock Option Reserve

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

NOTE 23. INTEREST INCOME

(₹ in Lakh)

	2019-20			2018-19		
Particulars	**On Financials Assets measured at Amortised Cost**	**On Financials Assets classified at FVTPL**	**Total**	On Financials Assets measured at Amortised Cost	On Financials Assets classified at FVTPL	Total
Interest on loans	66,886.70	-	66,886.70	52,737.23	-	52,737.23
Interest on deposits	109.48	-	109.48	125.38	-	125.38
Interest income from investments	-	-	-	-	211.35	211.35
Total	**66,996.18**	**-**	**66,996.18**	**52,862.61**	**211.35**	**53,073.96**

NOTE 24. FEE AND COMMISSION INCOME

(₹ in Lakh)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Application fees	503.55	759.89
Total	**503.55**	**759.89**

NOTE 25. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1,228.29	216.67
- Others	-	315.75
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair value changes	1,228.29	532.42
(D) Fair Value changes:		
- Realised	1,070.87	532.42
- Unrealised	157.42	-
Total Net gain on fair value changes	**1,228.29**	**532.42**

NOTE 25 A. NET LOSS ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	624.12	200.85
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net loss on fair value changes	624.12	200.85
(D) Fair Value changes:		
- Realised	-	(5.63)
- Unrealised	624.12	206.48
Total Net loss on fair value changes	**624.12**	**200.85**

NOTE 26. OTHER OPERATING INCOME

(₹ in Lakh)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Advertisement Income	950.97	2,362.09
Foreclosure Fees	1,161.51	1,109.62
Bad Debts Recovered	15.97	92.35
Other Charges	726.31	875.82
Total	**2,854.76**	**4,439.89**

NOTE 27. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of other assets	15.26	125.73
Profit on sale of Fixed Assets	-	7.62
Interest on deposits with Banks	11.48	18.52
Other	313.47	119.66
Total	**340.21**	**271.53**

NOTE 28. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	26,383.68	18,853.84
Interest on Bank Overdraft	256.46	88.41
Interest on debt securities	1,036.67	1,315.84
Discount charges on Commercial Paper	-	227.67
Interest on Bank CC	346.82	223.46
Interest on Lease Liability	250.91	-
Interest Others	5.63	1.03
Total	**28,280.17**	**20,710.25**

NOTE 29. IMPAIRMENT ON FINANCIAL INSTRUMENTS (EXPECTED CREDIT LOSS-ECL)

The table below displays Stagewise ECL charged to the Statement of Profit and Loss:

(₹ in Lakh)

Particulars	2019-20				2018-19			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	301.09	1,010.50	1,207.33	2,518.92	154.90	119.21	725.12	999.23
Disbursement/Loan commitments	(32.94)	37.43	1.94	6.43	(13.83)	(4.09)	4.20	(13.71)
Others	-	-	466.92	466.92	-	-	-	-
Total impairment loss	**268.14**	**1,047.93**	**1,676.18**	**2,992.26**	**141.07**	**115.12**	**729.32**	**985.52**

The ECL figures given in brackets indicate stagewise release of the provision amount.

NOTE 30. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Bonus	10,818.71	10,982.91
Contribution to provident and other funds	471.94	361.66
Share Based Payments to employees	317.08	167.27
Staff Training and Welfare Expenses	272.97	242.95
Total	**11,880.70**	**11,754.79**

NOTES

Forming part of Consolidated Financial Statements

NOTE 31. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisment Expenses	28.31	27.02
Auditors' Remuneration (Refer Note 1 below)	54.60	41.28
Bank charges	75.30	19.33
Bad Debts Written Off	538.89	669.29
Business Promotion Expenses	102.70	66.36
Computer Maintenance	12.52	21.41
Corporate Social Responsibility Expenses (Refer Note 2 below)	284.33	197.34
Donation	-	0.55
Directors Sitting Fees	59.08	65.65
Electricity Charges	128.99	120.64
Legal and Professional Fees	1,386.63	2,140.41
Membership and Subscription expenses	31.26	30.90
Printing and Stationery	100.32	173.35
Recruitment and Training Expenses	97.58	86.37
Lease Rent (refer note no. 2 (6)(iii) and Note no. 39)	257.97	865.59
Software Expenses	326.44	126.67
Telephone and Internet Expenses	245.93	303.23
Loss On Sale/Discard Of Fixed Assets	31.36	-
Travelling Expenses	641.11	673.92
Repairs and Maintenance	47.01	27.18
Insurance Expenses	44.19	62.62
General Expenses	402.04	426.32
Total	**4,896.56**	**6,145.44**

1. Auditors' Remuneration

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) For Audit	18.18	19.80
b) For Tax Audit	5.00	5.00
c) For Limited Review	11.31	7.82
d) For other services (Certification Fees)	17.67	7.10
e) For reimbursement of expenses	2.44	1.56
Total	**54.60**	**41.28**

2. Corporate Social Responsibility Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross Amount Required to be spent during the year	284.33	197.34
Amount spent during the year on Corporate Social Responsibility in line with Schedule VII of the Companies Act 2013	284.33	197.34

NOTE 32. OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit and loss		
- Remeasurement gain on defined benefit plan	37.74	2.99
- Income tax relating to these items	(9.44)	(0.92)
Total other comprehensive income for the year, net of tax	**28.30**	**2.07**

NOTE 33.1 CONSTRUCTION FINANCE LOANS

1.1 Credit quality of assets

(₹ in Lakh)

	As at March 31, 2020				As at March 31, 2019			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
INTERNAL RATING GRADE*	-	-	-	-	-	-	-	-
Performing	-	-	-	-	-	-	-	-
High grade	96,987.39	-	-	96,987.39	133,632.35	-	-	133,632.35
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	11,763.24	-	11,763.24	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Individually impaired	-	-	167.51	167.51	-	-	167.51	167.51
Total	**96,987.39**	**11,763.24**	**167.51**	**108,918.14**	**133,632.35**	**-**	**167.51**	**133,799.86**

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 Lakh)

	As at March 31, 2020				As at March 31, 2019			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
GROSS CARRYING AMOUNT OPENING BALANCE	**133,632.35**	**-**	**167.51**	**133,799.87**	103,287.18	1,070.21	910.41	105,267.81
New assets originated	24,933.62	-	-	24,933.62	58,384.90	-	-	58,384.90
Assets derecognised or repaid (excluding write offs)	(49,815.34)	-	-	(49,815.34)	(28,039.73)	(1,070.21)	(742.90)	(29,852.85)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(11,763.24)	11,763.24	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**96,987.39**	**11,763.24**	**167.51**	**108,918.13**	**133,632.35**	**-**	**167.51**	**133,799.86**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

	As at March 31, 2020				As at March 31, 2019			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL ALLOWANCE - OPENING BALANCE	**748.31**	**-**	**26.66**	**774.97**	723.22	7.48	144.89	875.59
New assets originated	246.68	-	-	246.68	327.48	-	-	327.48
Assets derecognised or repaid (excluding write offs)	(200.45)	-	-	(200.45)	(302.39)	(7.48)	(118.23)	(428.10)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(137.00)	137.00	-	-	-	-	-	-
Transfers to Stage 3	(5.32)	-	5.32	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**652.22**	**136.99**	**31.98**	**821.19**	**748.31**	**-**	**26.66**	**774.97**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
LGD	19.09	15.91

Probability of Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
Stage 1	3.52	3.52
Stage 2	4.21	N.A.
Stage 3	100.00	100.00

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

NOTE 33.2 MSME LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2019 Stage 1	Stage 2	Stage 3	Total
INTERNAL RATING GRADE#	-	-	-	-	-	-	-	-
Performing	-	-	-	-	-	-	-	-
High grade	165,404.79	-	-	165,404.79	171,612.23	-	-	171,612.23
Standard grade	11,597.31	-	-	11,597.31	7,619.22	-	-	7,619.22
Sub-standard grade	-	7,883.91	-	7,883.91	-	6,170.80	-	6,170.80
Past due but not impaired	-	8,758.24	-	8,758.24	-	4,403.67	-	4,403.67
Individually impaired	-	-	7,332.02	7,332.02	-	-	4,614.12	4,614.12
Total	**177,002.10**	**16,642.15**	**7,332.02**	**200,976.27**	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.04**

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 Lakh)

Particulars	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2019 Stage 1	Stage 2	Stage 3	Total
GROSS CARRYING AMOUNT OPENING BALANCE	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.05**	142,811.36	7,933.00	3,377.45	154,121.81
New assets originated	41,462.76	-	-	41,462.76	86,920.68	-	-	86,920.68
Assets derecognised or repaid (excluding write offs)	(31,279.90)	(1,855.04)	(1,324.02)	(34,458.95)	(43,170.94)	(1,747.11)	(1,035.20)	(45,953.25)
Transfers to Stage 1	2,067.78	(1,680.89)	(386.88)	-	9,727.69	(6,386.64)	(3,341.05)	-
Transfers to Stage 2	(11,721.87)	12,042.05	(320.18)	-	(12,279.24)	12,348.58	(69.34)	-
Transfers to Stage 3	(2,758.12)	(2,438.44)	5,196.56	-	(4,778.10)	(1,573.36)	6,351.46	-
Amounts written off*	-	-	(447.58)	(447.58)	-	-	(669.20)	(669.20)
Gross carrying amount closing balance	**177,002.10**	**16,642.15**	**7,332.02**	**200,976.27**	**179,231.45**	**10,574.47**	**4,614.12**	**194,420.05**

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the group.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2019 Stage 1	Stage 2	Stage 3	Total
ECL ALLOWANCE - OPENING BALANCE	**542.65**	**333.17**	**1,588.56**	**2,464.38**	504.47	231.45	853.09	1,589.01
New assets originated	2,382.93	-		2,382.93	1,552.90	-	-	1,552.90
Assets derecognised or repaid (excluding write offs)	(97.80)	(33.49)	(219.37)	(350.67)	(202.80)	(48.17)	(426.56)	(677.53)
Transfers to Stage 1	134.57	(45.45)	(89.12)	-	6.76	(6.26)	(0.50)	-
Transfers to Stage 2	(853.64)	923.54	(69.90)	-	(404.42)	405.75	(1.33)	-
Transfers to Stage 3	(1,270.00)	(84.16)	1,354.16	-	(914.26)	(249.60)	1,163.86	-
ECL allowance - closing balance	**838.70**	**1,093.60**	**2,564.34**	**4,496.64**	**542.65**	**333.17**	**1,588.56**	**2,464.38**

Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default $

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
LGD	22.65	20.66

Probability of Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
Stage 1	2.06	1.45
Stage 2	23.43	13.51
Stage 3	100.00	100.00

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

NOTE 33.3 HOUSING LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
INTERNAL RATING GRADE #								
Performing								
High grade	83,749.12	-	-	83,749.12	76,010.52	-	-	76,010.52
Standard grade	2,776.62	-	-	2,776.62	1,196.39	-	-	1,196.39
Sub-standard grade	-	1,502.45	-	1,502.45	-	633.80	-	633.80
Past due but not impaired	-	1,090.14	-	1,090.14	-	422.99	-	422.99
Individually impaired	-	-	1,082.68	1,082.68	-	-	378.81	378.81
Total	**86,525.74**	**2,592.59**	**1,082.68**	**90,201.00**	**77,206.91**	**1,056.79**	**378.81**	**78,642.51**

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

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
GROSS CARRYING AMOUNT OPENING BALANCE	**77,206.91**	**1,056.79**	**378.81**	**78,642.51**	**24,129.62**	**318.58**	**55.96**	**24,504.17**
New assets originated or purchased	15,157.44	-	-	15,157.44	56,450.95	-	-	56,450.95
Assets derecognised or repaid (excluding write offs)	(3,108.77)	(302.35)	(96.53)	(3,507.65)	(2,271.81)	(34.03)	(6.66)	(2,312.51)
Transfers to Stage 1	309.18	(290.60)	(18.58)	-	352.80	(352.80)	-	-
Transfers to Stage 2	(2,279.11)	2,352.54	(73.43)	-	(1,123.81)	1,123.81	-	-
Transfers to Stage 3	(759.91)	(223.80)	983.71	-	(330.84)	1.23	329.61	-
Amounts written off*	-	-	(91.31)	(91.31)	-	-	(0.10)	(0.10)
Gross carrying amount closing balance	**86,525.74**	**2,592.58**	**1,082.68**	**90,201.00**	**77,206.91**	**1,056.79**	**378.81**	**78,642.51**

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the company.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL ALLOWANCE - OPENING BALANCE	113.31	30.22	113.82	257.35	21.66	5.25	5.94	32.86
New assets originated or purchased	517.37	-	-	517.37	229.50	-	-	229.50
Assets derecognised or repaid (excluding write offs)	(9.32)	(7.91)	(59.72)	(76.94)	(5.01)	-	-	(5.01)
Transfers to Stage 1	14.46	(9.56)	(4.90)	-	0.35	(0.35)	-	-
Transfers to Stage 2	(117.57)	137.09	(19.51)	-	(51.27)	51.27	-	-
Transfers to Stage 3	(304.09)	(6.27)	310.36	-	(81.92)	(25.95)	107.88	0.01
ECL allowance - closing balance	**214.15**	**143.57**	**340.06**	**697.78**	**113.31**	**30.22**	**113.82**	**257.35**

 # Internal Rating Grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
LGD	28.78	24.73

Probability of Default$

(in %)

Particulars	As at March 31, 2020	As at March 31, 2019
Stage 1	0.85	0.47
Stage 2	17.68	11.35
Stage 3	100.00	100.00

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

NOTE 34.

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Parent and one of its subsidiary have proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Group's policy).

Further, the Parent and one of its subsidiary have, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Parent's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Accordingly, the Parent and one of its subsidiary have made provision for expected credit loss on financial assets as at March 31, 2020. As part of the management overlays, as per the approved ECL policy, the management has increased the underlying PD and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the manegement's estimate of the future stress and risk and available market information. Based on the current indicators of future economic conditions, the Parent and one of its subsidiary considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Parent and one of its subsidiary . Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

NOTE 35. INCOME TAXES RELATING TO CONTINUING OPERATIONS

1. Income Tax recognised in statement of profit and loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CURRENT TAX		
In respect of the current year	6,060.34	5,752.90
In respect of prior years	64.83	-
	6,125.17	**5,752.90**
DEFERRED TAX		
In respect of the current year	(50.39)	(650.34)
On Other Comprehensive Income	-	(0.92)
	(50.39)	**(651.26)**
Total Income tax expense recognised in the current year relating to continuing operations	**6,074.78**	**5,101.64**

2. Reconciliation of income tax expense for the year:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CONSOLIDATED PROFIT BEFORE TAX	**22,198.15**	**18,668.86**
Adjustments of allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	1,573.29	4,003.48
Tax Effect of income exempt from tax/ deduction allowable	(27.33)	(2,050.95)
Tax Effect of income considered separatey	(1,149.15)	(1,043.56)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	1,173.09	454.02
Tax Effect of deduction under Chapter VI A/ Other Sections	(6.89)	(98.67)
Non taxable subsidiaries and effect of differential tax rate	-	-
Tax Effect of earlier year loss set off/ carried forward	-	(177.36)
Taxable Profits/ (loss)	**23,761.16**	**19,755.82**
Income tax expense recognised in statement of profit and loss	**6,060.34**	**5,752.90**

3. Reconciliation of income tax rate is as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Normal Tax Rate	22.00	25.00
Surcharge (@ 12% of Normal Tax Rate)	2.20	3.00
Education cess (including secondary and higher education cess) Applicable for AY 2018-19		-
Health and Education Cess Applicable for AY 2019-20	0.97	1.12
Total Tax Rate	**25.17**	**29.12**
ADJUSTMENTS OF TAX EFFECT OF ALLOWABLE AND NON-ALLOWABLE INCOME AND EXPENSES:		
Non-deductible expenses	1.78	6.24
Income exempt from tax/ deduction allowable	(0.03)	(3.20)
Income considered separately	(1.30)	(1.63)
Capital Gain on sale of shares,mutual funds, interest etc	1.33	0.71
Deduction under Chapter VI A/ Other Sections	(0.01)	(0.15)
Tax Effect of earlier year loss set off/ carried forward	-	(0.28)
Deferred Tax Assets/MAT Credit	(0.06)	(3.48)
Non taxable subsidiaries and effect of differential tax rate	0.41	-
Prior Period Expenses	0.07	-
Effecttive Tax Rate	**27.37**	**27.33**

The recently promulgated Taxation Laws (Amendment) Ordinance 2019 has inserted section 115BAA in the Income Tax Act. 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Parent Company has exercised this option during the year, consequently, the opening deferred tax Liability (net) has been measured at the lower rate with a one-time corresponding charge to the Statement of Profit and Loss.

NOTES

Forming part of Consolidated Financial Statements

NOTE 36. DEFERRED TAX

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

(₹ in Lakh)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	**As at March 31, 2020**	**As at March 31, 2020**	**2019-20**	**2019-20**
Provisions	95.42	-	15.56	-
Depreciation	213.27	-	(45.91)	-
Impairment allowance for financial assets	972.83	-	246.45	-
Financial Instruments at FVTPL	-	-	(3.28)	-
Unmortised borrowing Cost	-	94.26	270.49	-
Unmortised Fees and commission	213.59	-	(1,379.78)	-
Carry Forward of Losses	-	-	-	-
Adjusted against current tax	-	-	-	-
MAT Credit Entitlement	80.81	-	-	-
Prior Period Adjustments	-	-	911.46	-
Others	36.74	-	35.41	-
Total	**1,612.66**	**94.26**	**50.39**	**-**

(₹ in Lakh)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	**As at March 31, 2019**	**As at March 31, 2019**	**2018-19**	**2018-19**
Provisions	79.87	-	31.78	-
Depreciation	259.18	-	116.64	-
Impairment allowance for financial assets	726.38	-	26.06	-
Financial Instruments at FVTPL	3.28	-	14.37	-
Unmortised borrowing Cost	-	364.74	(127.99)	-
Unmortised Fees and commission	1,593.37	-	613.68	-
Carry Forward of Losses	-	-	(29.09)	-
MAT Credit Entitlement	36.25	-	-	-
Prior Period Adjustments	-	-	-	-
Others	1.33	-	4.89	-
Total	**2,699.65**	**364.74**	**650.35**	**-**

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

NOTE 37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(₹ in Lakh)

	As at March 31, 2020			As at March 31, 2019		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
ASSETS						
Financial Assets						
Cash and cash equivalents	6,232.59	-	6,232.59	15,043.01	-	15,043.01
Bank Balance other than above	1,111.25	76.36	1,187.61	1,865.35	2.18	1,867.53
Trade Receivables	88.68	-	88.68	862.70	-	862.70
Loans	74,378.07	318,949.91	393,327.98	93,851.44	308,369.65	402,221.09
Investments	36,072.69	-	36,072.69	932.62	-	932.62
Other financial Assets	23.78	206.53	230.30	4.91	223.57	228.48
Total Assets	**117,907.05**	**319,232.80**	**437,139.85**	**112,560.03**	**308,595.40**	**421,155.43**
LIABILITIES						
Financial Liabilities						
Trade Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	1,302.75	-	1,302.75	1,480.17	-	1,480.17
Debt Securities	-	15,000.00	15,000.00	4,994.84	-	4,994.84
Borrowings (Other than debt securities)	72,950.87	195,710.34	268,661.21	66,966.14	204,909.51	271,875.65
Other financial liabilities	1,049.64	2,140.23	3,189.87	9,373.75	141.11	9,514.86
Total liabilities	**75,303.26**	**212,850.57**	**288,153.83**	**82,814.90**	**205,050.62**	**287,865.52**
Net	**42,603.79**	**106,382.23**	**148,986.02**	**29,745.13**	**103,544.78**	**133,289.91**

Note:- Information on the maturity pattern is based on the reasonable assumptions made by the management before considering impact of RBI Circular dated 27 March, 2020.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

NOTE 38. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)

Particulars	As at April 1, 2019	Cash flows	As at March 31, 2020
Debt securities	4,994.84	10,005.16	15,000.00
Borrowings other than debt securities	271,875.65	(3,214.44)	268,661.21
Total liabilities from financing activities	**276,870.49**	**6,790.72**	**283,661.21**

NOTE 39. LEASES

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Gross carrying value

(₹ in Lakh)

Balance as at April 1, 2019	**2,642.51**
On adoption of IND AS 116	-
Additions	90.15
Terminations/modifications	-
Translation adjustments	-
Balance as at March 31, 2020	**2,732.66**
Accumulated depreciation	-
Balance as at April 1, 2019	-
Depreciation	562.03
Terminations/modifications	-
Translation adjustments	-
Balance as at March 31, 2020	562.03
Net carrying value as at March 31, 2020	**2,170.63**

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.14% for Holding Company and 9.44% for Subsidiary Company.

The company's operating lease commitment and lease liability as at March 31, 2019 are recognised as per Ind AS 116 in the Balance Sheet as at April 1, 2019 as follows:

(₹ in Lakh)

Total operating lease commitments disclosed at March 31, 2019	**3,814.32**
Recognition exemption	
Leases with remaining life of less than 12 months	170.01
Adjustments required under Ind AS 116	
Practical expedient for maintenance charges	-
Lease commencements after transition date	-
Others	-
Leased assets (other than premises) recognized as required by the new standard	
Gross lease liability before discounting	**3,644.31**
Effect of discounting using incremental borrowing rate	1,001.81
Discounted lease liability	2,642.51
Lease liability with respect to exercising reasonably certain extension options	
Total lease liabilities recognized under Ind AS 116 at April 1, 2019	**2,642.51**

The following is the movement in lease liabilities during the year ended March 31, 2020.

Lease liabilities

(₹ in Lakh)

Balance as at April 1, 2019	**2,642.51**
Additions	90.15
Terminations/modifications	-
Finance expense	250.91
Payment of lease liabilities	667.78
Translation adjustments	-
Balance as at March 31, 2020	**2,315.79**

Rental expense charged for short-term & low value leases was ₹ 257.97 Lakh, for the year ended March 31, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020, on an undiscounted basis:

Tenure

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than 1 year	587.41	834.80
1-3 years	976.32	1,071.96
3-5 years	860.20	869.58
More than 5 years	702.32	1,037.98
Total	**3,126.25**	**3,814.32**

NOTE 40. FAIR VALUE MEASUREMENTS

40.1 Financial instruments by category

(₹ in Lakh)

	As at March 31, 2020		As at March 31, 2019	
Particulars	FVTPL	Amortised cost	FVTPL	Amortised cost
FINANCIAL ASSETS				
Investments				
- Equity instruments (Other than subsidiaries)	308.50	-	932.62	-
- Mutual funds	35,764.19	-	-	-
Trade receivables	-	88.68	-	862.70
Loans	-	393,327.98	-	402,221.09
Cash and cash equivalents	-	6,232.59	-	15,043.01
Bank Balances other than above	-	1,187.61	-	1,867.53
Other financial assets	-	230.30	-	228.48
Total financial assets	**36,072.69**	**401,067.16**	**932.62**	**420,222.81**
FINANCIAL LIABILITIES				
Borrowings (including Debt Securities)	-	283,661.21	-	276,870.49
Trade payables	-	1,302.75	-	1,480.17
Other financial liabilities	-	3,189.87	-	9,514.86
Total financial liabilities	**-**	**288,153.83**	**-**	**287,865.52**

40.2 Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2020						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	308.50	308.50	-	-	308.50
Mutual funds	7	35,764.19	35,764.19			35,764.19
Total financial assets		**36,072.69**	**36,072.69**	**-**	**-**	**36,072.69**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

NOTES
Forming part of Consolidated Financial Statements

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2020						
Financial assets						
Cash and cash equivalents	3	6,232.59	6,232.59	-	-	6,232.59
Bank Balance other than above	4	1,187.61	1,187.61	-	-	1,187.61
Trade Receivable	5	88.68	-	-	88.68	88.68
Loans						
Loans to employees	6	45.07	-	-	45.07	45.07
Loans - Others		393,282.91	-	-	393,282.91	393,282.91
Other financial assets	8	230.30	-	-	230.30	230.30
Total financial assets		**401,067.16**	**7,420.20**	**-**	**393,646.96**	**401,067.16**
FINANCIAL LIABILITIES						
Trade Payable	14	1,302.75	-	-	1,302.75	1,302.75
Debt Securities	15	15,000.00	15,000.00	-	-	15,000.00
Borrowings other than Debt Securities	16	268,661.21	-	-	268,661.21	268,661.21
Other Financial Liabilities	17	3,189.87	-	-	3,189.87	3,189.87
Total financial liabilities		**288,153.83**	**15,000.00**	**-**	**273,153.83**	**288,153.83**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2019						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	932.62	932.62	-	-	932.62
Total financial assets		**932.62**	**932.62**	-	-	**932.62**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
AS AT MARCH 31, 2019						
Financial assets						
Cash and cash equivalents	3	15,043.01	15,043.01	-	-	15,043.01
Bank Balance other than above	4	1,867.53	1,867.53	-	-	1,867.53
Trade Receivable	5	862.70	-	-	862.70	862.70
Loans						
Loans to employees	6	140.28	-	-	140.28	140.28
Loans - Others		402,080.81	-	-	402,080.81	402,080.81
Other financial assets	8	228.48	-	-	228.48	228.48
Total financial assets		**420,222.81**	**16,910.54**	-	**403,312.27**	**420,222.81**
FINANCIAL LIABILITIES						
Trade Payable	14	1,480.17	-	-	1,480.17	1,480.17
Debt Securities	15	4,994.84	4,994.84	-	-	4,994.84
Borrowings other than Debt Securities	16	271,875.65	-	-	271,875.65	271,875.65
Other Financial Liabilities	17	9,514.86	-	-	9,514.86	9,514.86
Total financial liabilities		**287,865.52**	**4,994.84**	-	**282,870.68**	**287,865.52**

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

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. The mutual funds are valued using the closing NAV. 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.

The Group gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTE 41.

41.1. Risk Disclosures

Group's risk is managed at company level through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and interest rate risk.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

41.2. Credit risk

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

41.2.1 Impairment assessment

41.2.1.1 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 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

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

Note:-The impact of RBI Circular dated March 27, 2020, has been considered for the aforesaid classification into Stage 1, Stage 2 and Stage 3 Loans.

41.2.1.2 Significant increase in credit risk

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

41.2.1.3 Definition of default and cure

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

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

41.2.1.4 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 no. of accounts outstanding (refer Note 34).

a) The Group has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

41.2.1.5 Loss given default

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 and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level (refer Note 34).

41.2.2 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Group has guidelines are 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 hypothication of Receivables.

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

3) In case of retail lending, collaterals are by way of hypothication of Receviables/Book Debts.

4) In case of Housing loans the Group adhers to the NHB guidelines in respect of maintainence of adequate Loan to Value Ratios. The main types of collateral for home loans are mortgages over residential properties.

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

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

41.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

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

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note No. 37

41.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Group is providing loans to MSME, Construction Finance and Housing Finance. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

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

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

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2019-20			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	997.03	Impact on equity	737.31
	50 Basis point Up		1,994.04		1,474.61
	25 Basis point Down		(997.03)		(737.31)
	50 Basis point Down		(1,994.04)		(1,474.61)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(713.57)	Impact on equity	(526.28)
	50 Basis point Up		(1,427.15)		(1,052.57)
	25 Basis point Down		713.57		526.28
	50 Basis point Down		1,427.15		1,052.57

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2018-19			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	709.72	Impact on equity	499.69
	50 Basis point Up		1,419.46		999.39
	25 Basis point Down		(709.72)		(499.69)
	50 Basis point Down		(1,419.46)		(999.39)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(393.90)	Impact on equity	(277.69)
	50 Basis point Up		(787.79)		(555.37)
	25 Basis point Down		393.90		277.69
	50 Basis point Down		787.79		555.37

NOTE 42. DEFINED BENEFIT PLAN

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

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

(₹ in Lakh)

Particulars	As at April 01, 2019	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2020
Defined benefit obligation	(309.09)	(130.02)	(23.12)	41.72	-	7.42	(23.18)	51.91	-	(384.36)
Fair value of plan assets*	208.05	-	15.57	(41.72)	4.35	-	-	-	105.00	291.25
Benefit liability	**(101.04)**	**(130.02)**	**(7.56)**	**-**	**4.35**	**7.42**	**(23.18)**	**51.91**	**105.00**	**(93.11)**

*valuation is based on the figures as on March 31, 2020.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

(₹ in Lakh)

Particulars	As at April 01, 2018	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Liability Transferred In/ Out Acquisitions/ Divestments	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2019
Defined benefit obligation	(227.56)	(106.05)	(17.75)	38.30	-	1.11	(5.96)	8.86	-	(309.09)
Fair value of plan assets	169.16	-	13.19	(38.30)	(1.00)	-	-	-	65.00	208.05
Benefit liability	**(58.40)**	**(106.05)**	**(4.56)**	**-**	**(1.00)**	**1.11**	**(5.96)**	**8.86**	**65.00**	**(101.04)**

Category of assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance Fund	291.26	208.06
Total	**291.26**	**208.06**

Senstivity analysis

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(18.91)	(17.95)	20.93	20.13
2) Future Salary Increases	19.66	18.78	(18.27)	(17.26)
3) Employee Turnover	(3.75)	(1.42)	3.71	1.13

Maturity Analysis of benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	38.14	24.44
Between 2 and 5 years	184.78	126.93
Between 6 and 10 years	184.27	166.92
Beyond 10 years	155.93	230.25
Total expected payments	**563.13**	**548.54**

NOTE 43. RELATED PARTY DISCLOSURES IN RESPECT OF TRANSACTIONS FOR THE YEAR

Compensation of Key Management Personnel of the Group

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Employee benefits	134.42	79.01
Total	**134.42**	**79.01**

A. List of Related Parties and related party relationship:

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

Sr. No.	Name of the Related Party
1	Budhinath Advisory Services Private Limited
2	Parijat Properties Private Limited
3	Dreamwork Media & Entertainment Private Limited
4	Capri Global Holdings Private Limited
5	Ramesh Chandra Sharma - HUF

b) Key Management Personnel of the Company

Sr no	Name of KMP	March 31, 2020	March 31, 2019
1	Mr. Quintin E Primo III	Non-Executive Chairman (Upto June 1, 2019)	Non Executive Chairman
2	Mr. Rajesh Sharma	Managing Director	Managing Director (w.e.f. July 4, 2018)
3	Mr. Beni Prasad Rauka	Independent Director	Independent Director
4	Ms. Bhagyam Ramani	Independent Director	Independent Director
5	Mr. Mukesh Kacker	Independent Director	Independent Director
6	Mr. Tilak Raj Bajalia	Independent Director (upto December 19, 2019)	Independent Director
7	Mr. Ajay Relan	Independent Director	Independent Director (w.e.f. December 4, 2018)
8	Mr. Deshraj Dogra	Not Applicable	Independent Director (Upto September 19, 2018)
9	Mr. Ajit Mohan Sharan	Independent Director (w.e.f June 1, 2019)	Not Applicable
10	Mr. Ashish Gupta	Chief Financial Officer (w.e.f May 3, 2019)	Not Applicable
11	Mr. Bipinchandra Kabra	Not Applicable	Director-Finance (Upto July 31, 2018)

c) Post-employment benefit plan

1. Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme
2. Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme

d) Corporate Social Responsibility:

1. Capri Foundation

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

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		Year ended March 31, 2020	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019	**Year ended March 31, 2020**	Year ended March 31, 2019
A.	**STATEMENT OF PROFIT AND LOSS ITEMS:**								
I	**INCOMES :**								
i	Sale of Investment								
	Capri Global Holdings Private Limited	268.00	-	-	-	-	-	268.00	-
II	**Expenses :**								
i	**Rent Paid**								
	Parijat Properties Private Limited	-	-	-	-	-	-	-	-
	Capri Global Holdings Private Limited	4.20	-	-	-	-	-	4.20	-
	Ramesh Chandra Sharma (HUF)	16.50	33.00	-	-	-	-	16.50	33.00
	Parshwanath Buildcon Private Limited	2.80	0.40	-	-	-	-	2.80	0.40
ii	**Salaries, Commission and other benefits**								
	Mr. Rajesh Sharma	-	-	36.00	17.81	-	-	36.00	17.81
	Mr. Ashish Gupta	-	-	98.42	-	-	-	98.42	-
	Mr. Bipinchandra Kabra	-	-	-	52.31	-	-	-	52.31
iii	**Director Sitting Fees**								
	Mr. Quintin E Primo III	-	-	1.50	2.85	-	-	1.50	2.85
	Mr. Beni Prasad Rauka	-	-	15.00	16.23	-	-	15.00	16.23
	Ms. Bhagyam Ramani	-	-	11.90	19.23	-	-	11.90	19.23
	Mr. Mukesh Kacker	-	-	6.75	5.85	-	-	6.75	5.85
	Mr. Tilak Raj Bajalia	-	-	10.50	12.18	-	-	10.50	12.18
	Mr. Ajit Sharan			3.30				3.30	-
	Mr. Deshraj Dogra	-	-		3.00	-	-	-	3.00
	Mr. Ajay Kumar Relan	-	-	4.50	0.75	-	-	4.50	0.75
iv	**Employee Benefits**								
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	85.00	36.43	85.00	36.43
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	20.12	2.47	20.12	2.47
v	**Corporate Social Responsibility**								
	Capri Foundation	-	-	280.58	196.02	-	-	280.58	196.02
C	**BALANCE SHEET ITEMS (CLOSING BALANCES):**								
	Other Liabilities for rendering services								
i	**Other Payable**								
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	81.14	-	81.14
	Parshwanath Buildcon Private Limited	0.58	-	-	-	-	-	0.58	-
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	19.89	-	19.89

NOTE 44. SEGMENT INFORMATION (IND-AS 108)

Operating Segment:

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

NOTE 45. 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, 2020	For the Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Lakh	16,123.38	13,566.30
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	175,134,805	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	176,193,461	176,107,601
Basic earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(B)	₹	9.21	7.75
Diluted earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(C)	₹	9.15	7.70

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
Weighted average number of equity shares for calculating EPS	Nos.	175,134,805	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	1,058,656	972,796
Weighted average number of equity shares in calculation of diluted EPS	Nos.	176,193,461	176,107,601

NOTE 46. EMPLOYEE STOCK OPTION

The Capri Global Capital Limited has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Group 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	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	1,679,500	₹ 2 to ₹ 174

The activity of the Stock Plans is summarised below

	Year ended			
	As at March 31, 2020		As at March 31, 2019	
Particulars	Numbers	Exercise Price/ Vesting Price (₹)	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	771,500	100.00	777,500	100.00
	285,000	70.00	300,000	70.00
	687,500	2.00	150,000.00	66
			250,000.00	62
Granted	200,500	130.00	289,000	100.00
	50,000	174.00	60,000	70.00
	15,000	158.20	710,000	2.00
Exercised	-	-	-	-
Forfieted, expired and cancelled	197,500	100.00	295,000	100.00
	132,500	2.00	75,000	70.00
			150,000	66.27
			250,000	62.00
			22,500	2.00
Outstanding at the end of the year	574,000	100.00	771,500	100.00
	285,000	70.00	285,000	70.00
	555,000	2.00	687,500	2.00
	200,500	130.00	-	-
	50,000	174.00	-	-
	15,000	158.20	-	-

The following table summarises information about stock option plans

	Year ended			
	As at March 31, 2020		As at March 31, 2019	
Exercise Price (₹)	Numbers	Weighted Average Remaining Life (Months)	Numbers	Weighted Average Remaining Life (Months)
130.00	200,500	43	-	-
174.00	50,000	43	-	-
158.20	15,000	48	-	-
100.00	574,000	24	771,500	35
70.00	285,000	22	285,000	35
2.00	555,000	30	687,500	42

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

Particulars	March 31, 2020
Expected life of the options	3 to 5 Years
Expected volatility	60%
Dividend yield	1%
Risk-free interest rate	6.07% to 6.66%

ESOP cost recognised in the Statement of Profit and Loss for March 31, 2020 ₹ 317.08 Lakh (March 31, 2019 ₹ 167.27 Lakh)

NOTE 47. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling Expenses	₹ 28.40 Lakh (March 31, 2019 ₹ 74.79 Lakh)
Professional Fees	₹ 16.48 Lakh (March 31, 2019 ₹ Nil)
Training & Development	₹ 50.25 Lakh (March 31, 2019 ₹ Nil)
Director Sitting Fees	₹ 1.50 Lakh (March 31, 2019 ₹ 2.85 Lakh)

NOTE 48. CONTINGENT LIABILITIES

Income Tax matters under dispute: March 31, 2020 ₹ 96.99 Lakh (March 31, 2019 ₹ 2.12 Lakh)

NOTE 49. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2020 ₹ 46.00 Lakh (March 31, 2019 ₹ 17.50 Lakh)

b) Amount payable towards acquisition of Property for March 31, 2020 ₹ 596.31 Lakh (March 31, 2019 ₹ 596.31 Lakh)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31, 2020 ₹ 70594.64 Lakh (March 31, 2019 ₹ 88720.22 Lakh)

NOTE 50. The company has reported frauds aggregating March 31, 2020 ₹ 158.29 Lakh (March 31, 2019: ₹ 411.74 Lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

NOTE 51. ADDITIONAL INFORMATION:

(₹ in Lakh)

Name of the entity in the Group	Net Assets, i.e. total assets minus total liability		Share in Profit or Loss		Share in Other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total Comprehensive income	Amount
Parent								
Capri Global Capital Limited	96.32%	148,261.72	84.18%	13,572.49	103.46%	29.28	84.21%	13,601.77
Subsidiaries								
Indian								
1. Capri Global Housing Finance Limited	15.04%	23,153.19	15.09%	2,433.26	(3.46%)	(0.98)	15.06%	2,432.28
2. Capri Global Asset Reconstruction Company Private Limited	-	-	0.05%	8.60	-	-	0.05%	8.60
3. Capri Global Resources Private Limited	0.00%	3.58	(0.01%)	(1.30)	-	-	(0.01%)	(1.30)
Foreign								
1. Capri Global Capital (Mauritius) Limited	0.00%	-	0.00%	(0.17)	-	-	0.00%	(0.17)
Consolidation Adjustment	(11.37%)	(17,500.00)	0.69%	110.50			0.68%	110.50
Total	**100.00%**	**153,918.49**	**100.00%**	**16,123.38**	**100.00%**	**28.30**	**100.00%**	**16,151.68**

NOTE 52. PREVIOUS YEAR FIGURES

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

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

FORM AOC -1

(Pursuant to first proviso to Sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

Part "A": Subsidiaries

(₹ in Lakh)

Particulars	Capri Global Housing Finance Limited	Capri Global Resource Private Limited
Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA	NA
Share Capital	6,071.43	110.50
Reserves & Surplus	17,081.76	(106.94)
Total Assets	101,789.51	4.66
Total Liabilities	78,636.32	1.10
Investments	11,208.99	-
Turnover	13,946.96	-
Profit/(Loss) Before Taxation	3,116.41	(1.29)
Provision for Taxation	683.15	-
Profit after Taxation*	2,433.26	(1.29)
Proposed Dividend	-	-
% of Shareholding	100	100

*PAT without considering the Other Comprehensive Income.

Notes:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year :
   1. Capri Global Assets Reconstruction Private Limited
   2. Capri Global Capital (Mauritius) Limited

Part "B": Associate and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **Not Applicable**

For and on behalf of the Board of Directors

Sd/-
Rajesh Sharma
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
Bhagyam Ramani
Independent Director
DIN 00107097

Sd/-
Ajay Relan
Independent Director
DIN 00002632

Sd/-
Mukesh Kacker
Independent Director
DIN 01569098

Sd/-
Ajit Mohan Sharan
Independent Director
DIN 02458844

Sd/-
Ashish Gupta
Chief Financial Officer

Sd/-
Abhishekh Kanoi
Vice President & Group Company Secretary
FCS 9530

Place: Mumbai
Date: May 9, 2020

NOTES

Corporate Information

BOARD OF DIRECTORS

Non-Executive Chairman
Mr. Quintin E. Primo III
(Up To June 1, 2019)

DIRECTORS
Mr. Rajesh Sharma - Executive & Managing
Mr. Beni Prasad Rauka - Non-Executive & Independent
Ms. Bhagyam Ramani - Non-Executive & Independent
Mr. Mukesh Kacker - Non-Executive & Independent
Mr. Ajay Kumar Relan - Non-Executive & Independent
Mr. T. R. Bajalia - Non-Executive & Independent
(up to December 19, 2019)
Mr. Ajit Mohan Sharan - Non-Executive & Independent
(w.e.f June 1, 2019)

CHIEF FINANCIAL OFFICER
Mr. Ashish Gupta
(w.e.f May 3, 2019)

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Harish Agarwal
– Sr. Vice President & Company Secretary
(up to August 31, 2019)
Mr. Abhishekh Kanoi
– Vice President & Group Company Secretary (w.e.f November 8, 2019)

BOARD COMMITTEES
Audit Committee
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. Mukesh Kacker - Member
Mr. T. R. Bajalia - Member
(up to December 19, 2019)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Ms. Bhagyam Ramani - Chairman
Mr. Beni Prasad Rauka - Member
Mr. Rajesh Sharma - Member

NOMINATION AND REMUNERATION COMMITTEE
Ms. Bhagyam Ramani - Chairman
Mr. Beni Prasad Rauka - Member
Mr. T.R Bajalia - Member
(up to December 19, 2019)
Mr. Ajit Mohan Sharan - Member
(w.e.f June 1, 2019)

RISK MANAGEMENT COMMITTEE
Mr. Rajesh Sharma - Chairman
Mr. Beni Prasad Rauka - Member
Ms. Bhagyam Ramani - Member
Mr. T.R Bajalia - Member
(up to December 19, 2019)

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. Rajesh Sharma - Member

AUDITORS
M/s. Deloitte Haskins & Sells LLP
Indiabulls Finance Centre,
32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (West),Mumbai – 400013
Tel. no. (022) 6185 4000

BANKERS AND FINANCIAL INSTITUTIONS
Union Bank of India
YES Bank Limited
Andhra Bank
Bank of Baroda
State Bank of India
Indian Bank
Punjab National Bank
United Bank of India
Bank of Maharashtra
Small Industries Development Bank of India
Bank of India
UCO Bank
Punjab & Sind Bank
Canara Bank
Syndicate Bank
Karnataka Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Life Insurance Corporation of India

REGISTERED AND CORPORATE OFFICE
502, Tower A,
Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
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Fax No. (022) 40888170

REGISTRAR AND SHARE TRANSFER AGENTS
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