

# MAHAVEER FINANCE INDIA LIMITED

## **BOARD OF DIRECTORS**

Sri **G. Chidambar**, Chairman  
Sri **K.S. Markandan**, Independent Director  
Sri **P.S. Balasubramaniam**, Independent Director  
Sri **J. Chandrasekaran**, Independent Director  
Sri **M. Praveen Dugar**, Executive Director & CFO  
Sri **M. Deepak Dugar**, Joint Managing Director  
Sri **N. Mahaveerchand Dugar**, Managing Director  
Sri **Abhishek G. Poddar**, Nominee Director

## **AUDITORS**

### **STATUTORY AUDITORS**

M/s. Singhi & Co.  
Chartered Accountants  
Unit 11-D, 11th Floor, Ega Trade Centre.  
809, Poonamallee High Road,  
Kilpauk, Chennai - 600 010.

### **COMPANY SECRETARY**

Miss Deepanjali Das  
Ph. No. 28614466, 28614477 & 28614488  
Email: cs@mahaveerfinance.com

### **BRANCH :**

**Tamil Nadu :** Ashok Nagar, Attur, Coimbatore, Cuddalore, Dindugal, Hosur, Kanchipuram, Karur, Kumbakonam, Madurai, Mayavaram-1, Nagapattinam, Salem, Sivakasi, Tambaram, Theni, Tirunelveli, Trichy, Vellore, Pondicherry.

**Andhra Pradesh :** Anantapur, Eluru, Guntur, Kadapa, Kakinada, Kurnool, Madanapalle, Nayudupeta, Nandyal, Nellore, Ongole, Rajampet, Rajamundry, Tirupati, Srikakulam, Vijayawada, Visakhapatnam.

**Telangana :** Gadwal, Hyderabad, Karimnagar, Kodada, Mahabubnagar, Warangal.

**DEPOSITORIES :** Central Depository Services (India) Limited (CDSL)  
National Securities Depository Limited (NSDL)

### **DEBENTURE TRUSTEE :**

1. Axis Trustee Service Limited: 02nd Floor-E, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400 025
2. Vistra ITCL (India) Limited: IL&FS Financial Centre Plot, C-22, G Block, BKC Road, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
3. Catalyst Trusteeship Limited: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098

### **REGISTRARS AND SHARE TRANSFER AGENT :**

CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No. 1 Club House Road,  
Chennai - 600 002. Phone : 044-28460390 (6 Lines)  
E-mail : agm@cameoindia.com  
Website : www.cameoindia.com

LINK INTIME INDIA PVT LIMITED  
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400083 Tel: +91- 022 - 4918 6270  
E-mail : rnt.helpdesk@linkintime.co.in  
Website : https://linkintime.co.in/

### **MEMBERS OF**

- |   |   |
|---|---|
| 1. Federation of Indian Hire Purchase Association   | 5. Madras Hire Purchase Association               |
| 2. Finance Companies Association (India)            | 6. Finance Industry Development Council (Mumbai)  |
| 3. South India Hire Purchase Association            | 7. Jain International Trade Organisation (Mumbai) |
| 4. Federation of All India Hire Purchase Financiers | 8. Hindustan Chamber of Commerce                  |

## **REGISTERED OFFICE**

K.G. Plaza, '3<sup>rd</sup> Floor',  
41-44, General Patters Road,  
Chennai - 600 002.  
Phone : 28614466, 28614477 & 28614488  
E-mail : cs@mahaveerfinance.com  
Website : www.mahaveerfinance.com  
CIN : U65191TN1981PLC008555

### **SECRETARIAL AUDITORS**

M/s. S. Dhanapal & Associates  
Practicing Company Secretaries  
Suit No. 103, First Floor, Kaveri Complex,  
96/104, Nungambakkam High Road,  
Nungambakkam, Chennai - 600 034.

### **BANKERS**

State Bank of India  
Punjab National Bank  
Indian Overseas Bank  
The Catholic Syrian Bank Ltd

# **MAHAVEER FINANCE INDIA LIMITED**

CIN:-U65191TN1981PLC008555

**Regd. Office: Agarwal Court, K.G.Plaza Shop No. T8 & T9, 3<sup>rd</sup> Floor,  
No. 41-44, General Patters Road, Chennai – 600 002.**

**Phone Nos. 044 - 28614466, 28614477 & 28614488**

**E-mail: cs@mahaveerfinance.com, Website : www.mahaveerfinance.com**

## **NOTICE**

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Mahaveer Finance India Limited will be held at South India Hire Purchase Association Premises, Desabandu Plaza, 1<sup>st</sup> Floor, 47 Whites Road, Chennai-600014 on Friday, 27<sup>th</sup> August, 2021 at 12.30 P.M to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the audited financial accounts of the Company for the year ended 31<sup>st</sup> March, 2021 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. M. Praveen Dugar (holding DIN 00190780) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. M. Deepak Dugar (holding DIN 00190705) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to such other Regulations/Guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe to Secured/Unsecured Redeemable/ Partly/ Optionally or fully Convertible/Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds, commercial papers and / or other debt securities, on a private placement basis, in one or more tranches, during the period from 40th Annual General Meeting to 41st Annual General Meeting (AGM) for a sum not exceeding Rs.300 crores, within the overall borrowing limits of the company.”

**FURTHER RESOLVED THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest rate, tenor, repayment, security, or otherwise and listing, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

For and on behalf of the Board  
sd/-

**Deepanjali Das**  
Company Secretary

Place : Chennai  
Date : 29.06.2021

**Notes:**

1. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business of this notice is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her. The proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Proxies in order to be effective must be filed with the Company at the registered office not later than 48 hours before the commencement of the meeting.
3. Members/ Proxies should fill the attendance slip for attending the Meeting.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
5. Shareholders are requested to bring their copy of the Annual Report to the meeting.
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents which are referred in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company during office hours on working days upto the date of Annual General Meeting.
7. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other relevant provisions, the amount of dividends remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the investor Education and Protection Fund (IEPF). Also, the Company has to transfer the Equity Shares pertaining to the unclaimed dividend for the seven consecutive years by any shareholder, to the IEPF Authority.  
The Shareholders whose dividend /shares are transferred to the IEPF Authority can thereafter claim their shares only from the said Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>. In case the Members have any query on the subject matter and the IEPF Rules, they may contact the Company/RTA.
8. **Dematerialisation facility to be availed at the earliest by the Shareholders who are holding shares in the Physical form. As per MCA notification dated 10th September, 2018 every holder of securities of an unlisted public company , who intends to transfer such securities after 2nd October, 2018 shall get such securities dematerialised before the transfer. You are therefore, requested to convert your shares into Demat mode.**
9. **E-mail id to be provided by the shareholders to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time under Rule 18(3) of the Companies (Management and Administration) Rules, 2014.**

## **EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **ITEM No.4: Issue of Debt Instruments on a private placement basis:**

As per Section 42 of the Companies Act, 2013 read with Rule 2(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Debentures on a private placement basis, is required to obtain the prior approval of the Members by way of a special resolution. In the case of Non-Convertible Debentures however, such an approval can be obtained once in a year for all the offers and invitations for such NCD's if the amount of such offer or invitation exceeds the limit specified under clause (c) of Section 180(1).

The company is in need of additional funds to augment its working capital requirements, since there is enough potential available for growth of business. The Company, during the year, is planning to raise funds by the issue of Debt Instruments on such terms and conditions as may be mutually agreed upon.

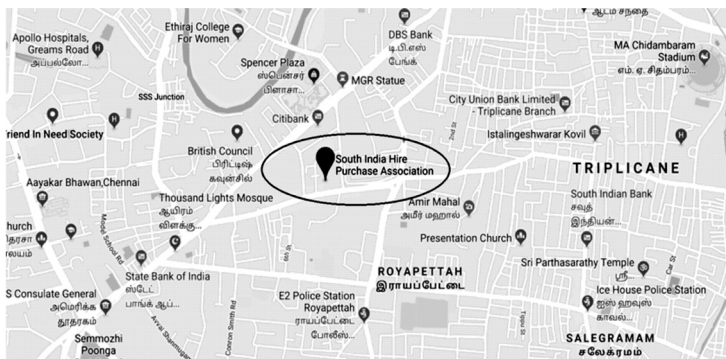
The Board recommends the resolution as set out in item no.4 of the Notice for approval of the members.

None of the directors of the Company is interested in the resolution.

**Details of Directors being re-appointment as set out in the notice in terms of Secretarial Standard on General Meetings (SS-2) is as under:**

Particulars	Shri. Praveen Dugar (DIN 00190780)	Shri. Deepak Dugar (DIN 00190705)
Age	41 years	45 years
Qualification and Experience	18+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since 2005. MBA in Finance	20+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since 1997. MBA in Finance
Remuneration Last drawn	Rs. 3,00,000/- p.m	Rs. 3,00,000/- p.m
Remuneration sought to be paid	No revision in remuneration is proposed.	No revision in remuneration is proposed.
Date of first Appointment in Board	29/01/2005	23/05/1996
Shareholding in the Company	15.98%	16.01%
Relationship with other Directors/KMP	S/O Shri. Mahaveerchand Dugar, Managing Director	S/O Shri. Mahaveerchand Dugar, Managing Director
No. of meetings of the Board attended during the year	Attended all the Board meetings and Committee meetings in which appointed as a member. Number of meetings attended in FY 20-21 Board meeting-4 CSR Committee-2 Asset Liability and Risk Management Committee-1	Attended all the Board meetings and Committee meetings in which appointed as a member. Number of meetings attended in FY 20-21 Board meeting-4 CSR Committee-2 Asset Liability and Risk Management Committee-1 Nomination and Remuneration Committee-2 Shareholders Grievance and Share transfer Committee-3
Other Directorships	NIL	South India Hire Purchase Association

**Route Map of Annual General Meeting (AGM) VENUE:**



## DIRECTOR'S REPORT

Dear Members,

Your Directors present the 40<sup>th</sup> Annual report with Audited Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Total Revenue	6048.84	5043.75
Less: Total Expenses	4919.94	4343.83
Profit Before Tax	1128.90	699.92
Profit After Tax	839.46	520.67
Surplus brought forward	1394.76	1163.13
Adjustment on first time adoption of Ind AS	-	-167.82
Other Comprehensive Income (net of tax)	3.48	5.76
Available for appropriation	2237.70	1521.74
Transfer to :		
- Statutory Reserve	171.12	116.98
- General Reserve	10.00	10.00
Surplus to be carried forward to balance sheet	2056.58	1394.76

### 2. TRANSFER TO RESERVES:

Your Company has transferred an amount of Rs. 171.12 lakhs to statutory reserve and Rs. 10.00 lakhs to General Reserve for FY 2020-21.

### 3. DEPOSITS:

Your company is a Non-Banking financial Company and is exempted from the provisions of Section 73 of the Companies Act, 2013. Further, your company is a non- deposit taking NBFC registered with RBI and not accepting any deposits.

### 4. DIVIDEND:

Considering the need to conserve funds for future growth, your Directors have decided to plough back the profit to reserves for strengthening the assets of the Company. Hence the Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March 2021.

### 5. COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

Amid the ongoing pandemic, your Company during the financial year 2020-21, disbursed Rs. 148.45 crores as against Rs. 199 crores in the previous year. Total income for the year grew by 19.93 % to Rs. 6048.84 lakhs from Rs. 5043.75 lakhs in the previous year. Profit before tax was higher at Rs. 1128.90 lakhs as compared to Rs 699.92 lakhs last year. The net profit from operation was at Rs. 839.46 lakhs as against Rs. 520.67 lakhs in the previous financial year.

The Company's sustained focus on strict credit acceptance norms and collection skills has ensured good asset quality of the company. The standard assets stood at 96% of the total business assets as on 31<sup>st</sup> March 2021. The gross and net NPAs stood at 4.22% (90 DPD) and 3.58% respectively of the total business assets as on 31/03/2021 as against 2.57% (120 DPD) and 2.26% for the previous year.

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

## 6. CAPITAL & FINANCE

During the year under review there were no allotment of shares. Your company issued 500 Non-Convertible Debentures of face value Rupees Ten Lakh each amounting to Rs. 50 crore. Further, your Company issued 2000 Compulsorily Convertible Debentures of face value Rupees One Lakh each amounting to Rs. 20 Crore to Blacksoil Capital Private Limited.

## 7. NON-CONVERTIBLE DEBENTURES (NCD)

NCDs consisting of 700 nos. of Rs. 10 lakh each are held in dematerialized form out of which 500 nos. are listed with BSE Limited.

## 8. DEBENTURE TRUSTEE

As at March 31, 2021, the total outstanding Debentures allotted by the Company were Rs. 90 Crores and Name of the Debenture Trustees and contact details are given below;

1. **Axis Trustee Service Limited** having their office at 02nd Floor-E, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400 025.
2. **Vistra ITCL (India) Limited** having their office at IL&FS Financial Centre Plot, C-22, G Block, BKC Road, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051.
3. **Catalyst Trusteeship Limited** having their office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098.

## 9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Joint Ventures or Associate company.

## 10. RBI GUIDELINES / PRUDENTIAL NORMS

The Company continues to comply with all the regulations prescribed by the Reserve Bank of India, from time to time. As on March 31, 2021, the Capital Adequacy Ratio of the Company is 25.35%.

## 11. CREDIT RATING

CARE Ratings Limited assigned a rating of “CARE BBB-; Stable” for Long Term Bank facilities and Non-Convertible Debentures of the Company. CRISIL Ratings Limited assigned a rating of “CRISIL BBB-; Stable” for Bank facilities.

## 12. SHARE CAPITAL

Increase in the Authorized Share Capital of the Company.

There has been no change in the Authorised, Issued, Subscribed and Paid up Share capital of the Company during the Financial year 2020-21.

Authorised Share Capital: Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 number of equity shares of Rs. 10/- each.

Issued, Subscribed and Paid up Share capital : Rs. 12,26,38,660/- (Rupees Twelve Crore Twenty Six Lakhs Thirty Eight Thousand Six Hundred and Sixty Only) divided into 1,22,63,866 number of equity shares of Rs. 10/- each.

## 13. MEETINGS OF THE BOARD OF DIRECTORS WITH ATTENDANCE DETAILS

### I. BOARD MEETINGS

During the year ended March 31, 2021, Four Board meetings were held on the following dates 31st July 2020, 17th November, 2020, 14th December, 2020 and 15th February, 2021. The intervening gap between two meetings was within the period as prescribed under the Companies Act, 2013 and MCA circulars thereon. Details of Board of Directors and their attendance in meetings are given in report on Corporate Governance annexed to this Report as Annexure I.

### II. COMMITTEE MEETINGS

As on 31st March 2021, your Board has formed all the statutory committees as required which is detailed in the report on Corporate Governance annexed to this Report as Annexure I. During the year under review, all recommendations made by the committees are accepted by the Board of Directors.



#### **14. DIRECTORS/ KMP**

##### **Re-appointment:**

Sri. M. Praveen Dugar and Sri. M. Deepak Dugar, Directors who retire by rotation under Section 152(6) of the Companies Act, 2013 and being eligible offer themselves for re-appointment.

During the financial year 2020-21, Shri. Mahaveerchand Dugar, was re-appointed as Managing Director of the Company for a term of three years from October 01 2020 to September 30, 2023. Further, Sri. Deepak Dugar, Joint Managing Director and Sri. Praveen Dugar, Executive Director has been re-appointed for another term of three years from July 01, 2020 to June 30, 2023.

There has been no resignation of Directors (including Independent Director).

#### **15. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

#### **16. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of your Company and its future operations.

#### **17. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No such event has occurred.

#### **18. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Directors state that:-

- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) Adequate internal financial controls have been put in place and they are operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **19. INTERNAL FINANCIAL CONTROLS:**

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies (b) safeguarding of assets (c) prevention and detection of frauds/errors (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

#### **20. AUDITORS:**

##### **Statutory Auditors:**

At the 37th Annual General Meeting held on 25th September, 2018, M/S Singhi & Co. Chartered Accountants,



Chennai- 600 010 Firm (FRN. 302049E) were appointed as the Statutory Auditors of the Company for a term of five consecutive financial years, from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company.

#### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors have appointed M/S S Dhanapal & Associates as the Secretarial Auditors. Their report is annexed as "Annexure II" to this Report.

#### **21. EXPLANATION TO THE COMMENTS OF THE STATUTORY AND SECRETARIAL AUDITOR:**

There has been no fraud reported by the auditors of the company. All other comments are self explanatory. The explanation on the qualifications made by the Secretarial Auditor: We would like to inform that the lapses mentioned in the Report are not material nor significant in nature and most of these have since been rectified. These have largely been due to the lock down and work from home situation during the year 2020-21.

#### **22. EXTRACT OF THE ANNUAL RETURN**

As required pursuant to Section 92(3) of the Companies Act, 2013 the annual return is to be placed in the website. Link to access the same is <https://www.mahaveerfinance.com/Disclosures.php>

#### **23. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The provisions relating to the conservation of energy and technical absorption do not apply to the Company.

#### **24. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company had no foreign earnings/outgo during the year under reference.

#### **25. LOANS, GUARANTEES OR INVESTMENTS**

During the year, the Company has not given any Loans or Guarantees under the provisions of Section 186 of the Act. Investments of the company are detailed in Note no. 8 of Notes to accounts annexed to financial statement.

#### **26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC -2, as required under Section 134 (3) (h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is attached as part of this report as Annexure III Disclosure of related party as per Regulation 53 (f) is included in the Note No. 36 of Notes to accounts annexed to financial statement.

#### **27. PARTICULARS OF EMPLOYEES REMUNERATION:**

Details of the every employee of the Company as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each Director to median remuneration of the employees of the Company for the financial year:

S.No.	Name	Designation	Ratio
1	Sri. Mahaveerchand Dugar	Managing Director	20.51
2	Sri. Deepak Dugar	Joint Managing Director	15.38
3	Sri. Praveen Dugar	Executive Director and CFO	15.38
4	Sri. Chidambar	Independent Director	0.17
5	Sri. K.S Markandan	Independent Director	0.13
6	Sri. P.S Balasubramaniam	Independent Director	0.17
7	Sri. J. Chandrasekaran	Independent Director	0.17

2. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in FY 2020-21: NIL
3. The percentage increase in the median remuneration of employees in the FY 2020-21: NIL
4. The number of permanent employees on the rolls of company: 255
5. 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: There is no increase in salaries of employees and managerial personnel during the year under review.
6. Affirmation that the remuneration is as per the remuneration policy of the company: Yes, the remuneration is as per the remuneration policy of the Company.
7. Statement showing the names of the top ten employees in terms of remuneration drawn:

Sr. No.	Employee Name	Designation	Remuneration received (Annual CTC)	Qualification and experience of the employee	Date of commencement of employment	Age of employee	Last employment held before joining the company
1	Mahaveechand Dugar	Managing Director	48,00,000	Promoter Director/ 50+ years	01/10/1987	74	NO
2	Deepak Dugar	Joint Managing Director	36,00,000	MBA Finance/20+ years	23/05/1996	45	NO
3	Praveen Dugar	Executive Director and CFO	36,00,000	MBA Finance/18+ years	29/01/2005	41	NO
4	Varikuty Prem Kiran	Vice President-Finance	34,45,476	MBA/14 YEARS	13-07-2020	36	Adihikar Micro Finance
5	B. Rajesh Babu	Regional Relationship Head	11,53,848	MBA/25 YEARS	03-02-2021	50	Magma Finance
6	Madambile Giridharan	Regional Collection Manager - AP & TS	9,23,088	B.COM/30 YEARS	06-11-2020	52	Srei Equipment Finance
7	S.N. Varadharajan	General Manager - HR	8,62,500	BA/44 YEARS	05-03-2014	69	L & T Housing Finance
8	S.V. Ezhil	Cluster Manager	8,40,000	B.COM/23 YEARS	01-04-2008	49	Malhotra Marketing
9	Gopinath N C	Cluster Manager	8,40,000	BA/28 YEARS	28-01-2016	49	Shriram Transport Finance
10	Purushotham J	Cluster Manager	8,40,000	MMM/27 YEARS	23-12-2016	50	Shriram Transport Finance

- All the top ten employees are permanent employees of the company. The Managing Director, Joint Managing Director and Executive Director are appointed for a term of 3 years.
- None of the employees except Shri. Mahaveerchand Dugar, Shri. Deepak Dugar and Shri. Praveen Dugar holds 11.09%, 16.01% and 15.98% of equity shares respectively of the company.
- None of the employee except Shri. Mahaveerchand Dugar, Shri. Deepak Dugar and Shri. Praveen Dugar are related to each other.

8. The Company does not have any employee drawing:

- (i) Rs. 1.02 Crores or more per annum
- (ii) Rs. 8.50 Lakhs or more per month

**28. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013: Not Applicable**

**29. FORMATION OF INTERNAL COMPLAINT COMMITTEE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has formed an Internal Complaint Committee under the said Act.

- a. number of complaints filed during the financial year : NIL
- b. number of complaints disposed of during the financial year : NIL
- c. number of complaints pending as on end of the financial year: NIL

**30. RISK MANAGEMENT POLICY**

Your company has adopted a Risk Management policy as recommended by the Asset-liability and Risk Management Committee of the Company which identifies the various types of risk for the Company and ways to mitigate the risks.

Moreover, your Company being in the business of financing commercial vehicles, cars etc. it is expected that there would be abundant opportunities for the growth of NBFC sector in financing of commercial vehicles and cars. Competition from private and public sector banks in the retail financing and competitive interest rates are challenges to the industry.

With strong and dynamic management, experienced and skilled staff, retention of trustworthy customers, improvement of assessment procedures and quality of appraisal, the Company is confident of converting challenges into opportunities.

Any operational risk, market risk and interest risk can have adverse impact on the operations of the Company. Through continuous emphasis on cost control and cost reduction measures and taking corrective action wherever necessary, the Company will minimize risk.

Since money is the raw material for the finance company, the inflow of funds steadily throughout the year is a prerequisite. The Company constantly endeavors to access the required funds.

**31. ANNUAL EVALUATION OF THE BOARD**

The formal annual evaluation of the Board, its Committees and individual directors is carried out by the Nomination and Remuneration Committee of the Company. The performance is evaluated after seeking inputs from all the Directors on a questionnaire. The Chairman of the Nomination and Remuneration Committee evaluates the inputs of every Director and submits the report to every Director and the Management.

**32. SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, a separate meeting of the independent directors of the Company was held on 31st March, 2021 without the attendance of the non-independent directors and the management of the Company to review the performance of non-independent Directors, the Board as a whole, the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

**33. ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has a Board approved policy on Vigil mechanism and Whistle Blower where Audit Committee of the Company is given the authority to investigate in case of any complaint received by the Management or

by the Chairman of the Audit Committee. The policy is available in company website: <https://mahaveerfinance.com/corp.php>. During the year no whistle blower event was reported and no personnel have been denied access to the Audit Committee.

#### **34. SECRETARIAL STANDARDS:**

The Company is complying with the applicable Secretarial standards.

#### **35. ACKNOWLEDGEMENT:**

Your directors thank all the shareholders, customers, vehicle manufacturers, dealers, bankers and financial institution for their continued support to your company. Your Directors also place record their appreciation of the excellent teamwork and dedication displayed by the employees at all levels.

**For and on behalf of the Board**

**Sd/-**

**G. Chidambar  
(Chairman)**

**Place: Chennai  
Date : 29.06.2021**

This section on Corporate Governance forms part of the Report of the Directors to the Members.

Mahaveer Finance India Limited (MFIL) has been following healthy governance practices since its inception. The strong structure of the Company, built in 1981, is supported by the pillars of Motivated Team, Customer Faith, Integrity and Continuous learning. Your Company maintains the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

### 1. BOARD OF DIRECTORS:

The Board has been constituted in a manner, which will result in an appropriate mix of promoter, non-executive and independent Directors to ensure proper governance and management. As on 31.03.2021, the Board comprises eight members who have experience in diverse fields like Finance, Accounts and Management. Non-Executive Directors/Independent Directors bring independent judgement in the Board's deliberations and decisions. During the year there was no change in the composition of Board of Directors.

### 2. BOARD MEETINGS:

During the year ended March 31, 2021, Four Board meetings were held on the following dates 31<sup>st</sup> July 2020, 17<sup>th</sup> November, 2020, 14<sup>th</sup> December, 2020 and 15<sup>th</sup> February, 2021.

The Board Attendance details are furnished herein below:

Name and Introduction of the Directors	Designation	Category	Attendance at Board Meetings		Last AGM 25/09/2020	No. of other Directorships	No. of Committee Memberships
			No. of Meetings Held	No. of Meetings attended			
Sri G.Chidambar (Retired Managing Director of LIC)	Chairman	Non-Executive Independent	4	4	Yes	1	2
Sri K.S. Markandan (Served as DGM of State Bank of India and Bharat Overseas Bank Ltd.)	Director	Non-Executive Independent	4	3	Yes	1	2

<sup>1</sup> MFIL being a debt listed Company, this Report is prepared on a selective basis based on the format prescribed under SEBI LODR Regulations, 2015. This report forms an integral part of the Board report and contains disclosures as required under the Companies Act, 2013.

Name and Introduction of the Directors	Designation	Category	Attendance at Board Meetings		Last AGM 25/09/2020	No. of other Director-ships	No. of Committee Member-ships
			No. of Meetings Held	No. of Meetings attended			
Sri P. S. Balasubramaniam (Members of ICAI, ICSI, Served as Managing Director of Investment Trust of India Ltd.)	Director	Non-Executive Independent	4	4	No	4	4
Sri J. Chandrasekaran (Served as CGM of State Bank of India, served on the Board of SIDBI and presently in the Board of SBICAP Trustee Company Limited)	Director	Non-Executive Independent	4	4	Yes	2	2
Sri Abhishek G. Poddar (Nominee Director representing Banyan Tree Growth Capital II, LLC)	Director	Non-Executive nominee	4	4	No	4	-
Sri M. Deepak Dugar (Associated with MFIL since 1996 and has more than 20 years of experience in Asset Finance)	Director	Promoter Executive	4	4	Yes	1	4

Name and Introduction of the Directors	Designation	Category	Attendance at Board Meetings		Last AGM 25/09/2020	No. of other Director-ships	No. of Committee Member-ships
			No. of Meetings Held	No. of Meetings attended			
Sri M Praveen Dugar (Associated with MFIL since 2005 and has more than 18 years of experience in Asset Finance)	Executive Director	Promoter Executive	4	4	Yes	-	2
Sri N. Mahaveerchand Dugar (He is the promoter of MFIL and has 5 decades of experience in Financing)	Managing Director	Promoter Executive	4	4	Yes	2	3

### 3. AUDIT COMMITTEE

The Company has an Independent Audit Committee. The Audit Committee consist of three members out of which two members are Independent Directors. All the members of the Committee have financial and accounting knowledge. The role of Audit Committee is to review the Financial Statements, related party transactions, accounting policies and internal control system.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri K.S Markandan, Chairman	4	4	31.07.2020, 17.11.2020, 14.12.2020, 15.02.2021
Sri P.S Balasubramaniam	4	3	
Sri N. Mahaveerchand Dugar	4	4	

### 4. SHAREHOLDER GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Shareholder grievance and Share transfer Committee

- approves and monitors transfers, transmission of securities of the Company.
- reviews the redressal of grievances/complaints from shareholders on matters relating to transfer/ transmission of shares, issue of new/duplicate certificates etc, and
- reviews the compliances with various statutory and regulatory requirements.



Composition of the Shareholder Grievance and Share Transfer Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri G. Chidambar, Chairman	3	2	07.09.2020,
Sri M. Deepak Dugar	3	3	01.12.2020,
Sri N. Mahaveerchand Dugar	3	3	09.01.2021

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

## 5. NOMINATION & REMUNERATION COMMITTEE

In Compliance with the provisions of Section 178 of the Act, the Company constituted Nomination and Remuneration Committee of the Board of Directors consisting of 4 members, 3 of them being an Independent Directors. The scope of the Committee is to identify/ recommend to the Board of persons qualified to become Directors and formulate the criteria for evaluation of Independent Directors and the Board.

Composition of the Nomination & Remuneration Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri P.S Balasubramaniam, Chairman	2	1	31.07.2020, 15.02.2021
Sri K.S Markandan	2	2	
Sri G. Chidambar	2	2	
Sri M. Deepak Dugar	2	2	

Criteria for performance evaluation for Independent Directors: As per the Nomination and Remuneration policy of the Company, the performance evaluation of the Independent Director is based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

The Company's Nomination and Remuneration policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) is available on the website of the Company: <https://mahaveerfinance.com/corp.php>. There has been no change in the policy.

## 6. <sup>2</sup>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Your Company had formulated a corporate social responsibility committee of the Board on 6<sup>th</sup> of August 2019 as per the provisions of Section 135 of the Companies Act 2013. Composition of the Corporate Social Responsibility Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri. J. Chandrasekaran, Chairman	2	2	17.11.2020, 15.02.2021
Sri. P.S Balasubramaniam	2	2	
Sri Deepak Dugar	2	2	
Sri Praveen Dugar	2	2	

The CSR policy of the Company articulates the areas and activities under which CSR expenditure shall be made. The CSR policy is available on the website of the Company: <https://www.mahaveerfinance.com/corp.php>. Your Board has revised the CSR policy as per the recent amendment as per the Companies (Amendment) Act, 2020 in the Board meeting held on 29<sup>th</sup> June 2021. There has been no change in the policy during the year 2020-21.

Details as per the CSR rules is given in Annexure IV of the Board report.

<sup>2</sup>As per the Section 135(9) of the Companies Act, 2013, the Corporate Social Responsibility Committee has been dissolved w.e.f 29th June 2021 and the powers of the said Committee vests with the Board of Directors.

## 7. ASSET LIABILITY AND RISK MANAGEMENT COMMITTEE

Your Company had formulated an Asset Liability and Risk Management committee of the Board on 15<sup>th</sup> of February 2021 as per the RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4<sup>th</sup> 2019. Composition of the Asset Liability and Risk Management Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri. J. Chandrasekaran, Chairman	1	1	15.02.2021
Sri. P.S Balasubramaniam	1	1	
Sri. Mahaveerchand Dugar	1	1	
Sri Deepak Dugar	1	1	
Sri Praveen Dugar	1	1	

The Board has adopted a policy on risk management which identifies the various risks to the company and measures to mitigate the same. There has been no change in the policy since its adoption.

## 8. REMUNERATION OF DIRECTORS:

### Remuneration to Executive Directors:

The Managing Director and Whole time Directors are appointed as per the terms of Section 196(1) of the Companies Act, 2013. The details of their remuneration is as follows:

Name of the director	Annual Remuneration	Commission/Incentives/Benefits/ Bonuses/ Stock option/ Pension/ Allowances
Shri. Mahaveerchand Dugar, Managing Director	Rs. 48,00,000	NIL
Shri. Deepak Dugar, Joint Managing Director	Rs. 36,00,000	Rs. 29,488 (Insurance premium paid on behalf of the Director)
Shri. Praveen Dugar, Executive Director and CFO	Rs. 36,00,000	Rs. 28,035 (Insurance premium paid on behalf of the Director)

### Remuneration to Non-executive Directors:

Presently, your Company is paying only sitting fees to the Non-Executive Directors of the Company:

Name of the director	Fee for attending Board/committee meetings
Shri. Chidambar, Independent Director	40,000
Shri. K.S. Markandan, Independent Director	30,000
Shri. P.S Balasubramaniam, Independent Director	40,000
Shri. J. Chandrasekaran, Independent Director	40,000

## 9. GENERAL BODY MEETINGS:

Time and location of last three Annual General Meetings and Special Resolution passed by the members during the past three years is given below:

AGM	Day	Date	Time	Venue	Special Resolution Passed
37th AGM	Tuesday	25.09.2018	11.30 A.M	South India Hire Purchase Association Premises, Desabandu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai-600 014	<ol style="list-style-type: none"> <li>1. Appointment of Shri. J Chandrasekaran (DIN: 01118392) as Independent Director.</li> <li>2. Issue of Secured/ Unsecured Redeemable/ Irredeemable Convertible/ Non-Convertible Debentures including Subordinate Debt and other debt securities on private placement basis.</li> <li>3. Enhance the borrowing power of the Company to Rs. 800 crore.</li> <li>4. Enhance the power of the board of Directors of the Company to lease and mortgage of the property (ies) of the Company.</li> <li>5. Increase authorised share capital of the Company to Rs. 25 crores.</li> <li>6. Alteration in Memorandum of Association as a result of increase in authorised share capital.</li> </ol>
38th AGM	Thursday	26.09.2019	11.00 A.M	South India Hire Purchase Association Premises, Desabandu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai-600 014	<ol style="list-style-type: none"> <li>1. Re-appointment of Shri. Chidambar as Independent Director</li> <li>2. Re-appointment of Shri. K.S Markandan as Independent Director</li> <li>3. Re-appointment of Shri. P.S Balasubramaniam as Independent Director</li> <li>4. Issue of Secured/ Unsecured Redeemable/ Irredeemable Convertible/ Non-Convertible Debentures including Subordinate Debt and other debt securities on private placement basis.</li> </ol>

AGM	Day	Date	Time	Venue	Special Resolution Passed
39th AGM	Friday	25.09.2020	12.30 P.M	Registered office of the Company at Agarwal court, K.G.Plaza, Shop Nos. T8 & T9, 3rd Floor, No.41-44, General Patters Road, Chennai, Tamil Nadu-600002	<ol style="list-style-type: none"> <li>1. Issue of Secured/ Unsecured Redeemable/ Irredeemable Convertible/ Non-Convertible Debentures including Subordinate Debt and other debt securities on private placement basis.</li> <li>2. Re-appointment of Shri. Mahaveerchand Dugar as Managing Director</li> <li>3. Re-appointment of Shri. Deepak Dugar as Joint Managing Director (Whole time Director)</li> <li>4. Re-appointment of Shri. Praveen Dugar as Executive Director (Whole time Director)</li> </ol>
Extra-ordinary General Meeting	Monday	15.03.2021	12.30 P.M	South India Hire Purchase Association Premises, Desabandu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai-600 014	<ol style="list-style-type: none"> <li>1. To Offer and issue Compulsorily Convertible Debentures (CCDs) to Blacksoil Group on private placement basis.</li> <li>2. Approval for the Amended Articles of Association of the Company.</li> </ol>

No resolution was proposed to be passed through postal ballot.

#### 10. MEANS OF COMMUNICATION:

The Financial results are published in “Business Standard”. The website of the Company in which communications are given is [www.mahaveerfinance.com](http://www.mahaveerfinance.com).

#### 11. DISCLOSURES:

- (a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: No such transactions. Details of related party transactions are disclosed in form AOC-2 annexed as Annexure III of the Board report.
- (b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: NIL
- (c) details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has complied with all mandatory requirements of SEBI LODR.
- (d) web link where policy for determining ‘material’ subsidiaries is disclosed: Not Applicable

#### 12. GENERAL INFORMATION TO SHAREHOLDERS:

- a. General Body Meeting, Day, Date, Time & Location: The 40<sup>th</sup> Annual General meeting will be held on Friday, 27<sup>th</sup> August, 2021 at South India Hire Purchase Association Premises, Desabandu Plaza, 1<sup>st</sup> Floor, 47 Whites Road, Royapettah, Chennai-600 014 at 12.30 P.M.

- b. Financial year: 01<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021
- c. Dividend payment date: No dividend has been declared by your company for the financial year ended 31<sup>st</sup> March 2021
- d. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s): The company's equity shares are unlisted. Privately placed Non-convertible debentures of the Company are listed in BSE Limited, 25<sup>th</sup> Floor, P.J Towers, Dalal Street, Mumbai-400001, Maharashtra. Listing fees as applicable, has been duly paid.
- e. Registrar to an issue and share transfer agents:

**For Equity shares:**

CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No. 1 Club House Road,  
Chennai- 600 002.  
Phone: 044-28460390 (6 lines)  
Email: agm@cameoindia.com  
Website: www.cameoindia.com

**For Non-Convertible Debentures:**

LINK INTIME INDIA PVT LIMITED  
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai – 400083.  
Tel: +91- 022 - 4918 6270  
Email: rnt.helpdesk@linkintime.co.in  
Website: https://linkintime.co.in

- f. Share Transfer System: Pursuant to the provision of Regulation 61(4) of the SEBI LODR, securities can be transferred only in dematerialised form. The Compliance certificate under Regulation 40(9) certifying that certificates are issued within 30 days of transfer and under Regulation 7(3) confirming all activities of transfers are maintained by Registrar and Share transfer agent registered with SEBI is submitted to stock exchange on half yearly basis.
- g. Distribution of shareholding

Number of shares		Shareholders		Share Amount	
From	To	No. of shareholders	% of total	Value of shareholding	% of total
1	500000	731	98.92	1640460	1.34
500001	1000000	2	0.27	1040000	0.85
1000001	1500000	2	0.27	13605000	11.09
1500001	2000000	2	0.27	38191810	31.14
2000001	2500000	-	-	-	-
2500001	3000000	1	0.14	25522730	20.81
Above	3000000	1	0.14	42638660	34.77
<b>Total</b>		<b>739</b>	<b>100</b>	<b>122638660</b>	<b>100</b>

Shareholding pattern as on 31<sup>st</sup> March 2021:

Name of Shareholder	Number of shares	% shareholding
<b>Promoters Shareholding</b>		
Mahaveer Chand Dugar	1360500	11.09
Deepak Dugar	1963025	16.01
Praveen Dugar	1960156	15.98
Gunasundari Dugar	2552273	20.81
Pradeep Dugar		
	7835954	63.89
<b>Body Corporate</b>		
Foreign	4263866	34.77
Indian	450	0.00
IEPF	64250	0.52
Other public shareholding	99346	0.81
	<b>12263866</b>	<b>100</b>

h. Dematerialization of shares and liquidity: 82% of the equity shareholding is in dematerialised form.

i. Address for correspondence:

Agarwal Court,K.G.Plaza, Shop No. T8 & T9,  
3rd Floor, No. 41-44, General Patters Road,  
Chennai- 600 002.

Phone:044-28614466,28614477& 28614488

Email: cs@mahaveerfinance.com

**For any query/complaints:** Contact person: Ms. Deepanjali Das, email ID: cs@mahaveerfinance.com

j. Credit Rating obtained by the Company:

	Current Rating		Previous Rating	
Facility	CARE Ratings	Amount (Rs. in Cr.)	CARE Ratings	Amount (Rs. in Cr.)
Non-Convertible Debentures	CARE BBB-/ Stable	60.00	CARE BBB-/ Negative	60.00
Non-Convertible Debentures	CARE BBB-/ Stable	50.00	CARE BBB-/ Negative	50.00
Non-Convertible Debentures	CARE BBB-/ Stable	10.00 (Reduced from 20.00)	CARE BBB-/ Negative	20.00
Long-term Bank Facilities	CARE BBB-/ Stable	75.00	CARE BBB-/ Negative	75.00

	Current Rating		Previous Rating	
Facility	CRISIL Ratings	Amount (Rs. in Cr.)	CRISIL Ratings	Amount (Rs. in Cr.)
Long-term Bank Facilities	CRISIL BBB-/Stable	30.00	CRISIL BBB-/Negative	30.00
Non-Convertible Debentures	CRISIL BBB-/Stable	10.00	CRISIL BBB-/Negative	10.00

The Ratings has been revised from “Negative” to “Stable” outlook during the financial year.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021

*[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,  
**M/s. Mahaveer Finance India Limited,**  
Chennai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Mahaveer Finance India Limited**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the company, during the audit period covering the financial year ended on March 31, 2021, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2021 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- 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 to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT') to the extent applicable to a Debt Listed Company:
  - 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, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as substituted by 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 client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:
- a) The RBI Act, 1934 and the Regulations made by Reserve Bank of India for Non-Systemically Important Non-Deposit taking Non-Banking Financial Companies (ND-NSI-NBFCs).

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India, and
- ii) The Listing Agreement entered into by the Company with the BSE Ltd. and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except some lapses relating to minutes, filing, allotment process, disclosures, directors; and policies, disclosures & reporting under SEBI & RBI Regulations.

We have not carried out audit to make sure the correctness and appropriateness of financial records and books of accounts of the company.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the Statutory Authorities and Letters/Notices received by the Company during the financial year under various enactments as applicable to the Company.

**We further report that,** subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for following main events other than ordinary business transacted at the AGM:

- a) Approval for making offer(s) or invitation(s) to subscribe to Secured/Unsecured Redeemable/ Partly or fully Convertible/Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds and / or other debt securities, on a private placement basis;
- b) Approval and consent for the re-appointment of Sri.N.Mahaveer Chand Dugar as Managing Director;
- c) Approval and consent for the re-appointment of Sri.M.Deepak Dugar as Joint Managing Director;
- d) Approval and consent for the re-appointment of Sri.M.Praveen Dugar as Executive Director;
- e) Approval for offer and issuance of Compulsorily Convertible Debentures to Blacksoil Group on a private placement basis; and
- f) Approval for amendment in Articles of Association.

**We further** report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

We further report that we have conducted entire secretarial audit only through online verification and examination of records, as requested and facilitated by the company, due to prevailing Covid situation for the purpose of issuing this Report.

**For S DHANAPAL & ASSOCIATES**  
**(A firm of Practising Company Secretaries)**

Sd/-

**S. DHANAPAL (Sr. Partner)**

**FCS 6881**

**CP No. 7028**

**UDIN : F006881C000542207**

Place : Chennai  
Date : 29.06.2021

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

**Annexure to Secretarial Audit Report**

To  
The Members,  
**Mahaveer Finance India Limited,**  
Chennai

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

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

**For S DHANAPAL & ASSOCIATES**  
**(A firm of Practising Company Secretaries)**

Sd/-

**S. DHANAPAL (Sr. Partner)**  
FCS 6881  
CP No. 7028  
UDIN : F006881C000542207

Place : Chennai  
Date : 29.06.2021

**Annexure III**  
**Form No.AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into such transactions during the year.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Mrs. Gunasundari Dugar. W/O Shri. Mahaveerchand Dugar, M/O Shri. Praveen Dugar and Shri. Deepak Dugar	Rent paid	12 months	The lease is for initial period of 11 months commencing from the date of signing which can renewed for further 4 periods of 11 months each.	31/07/2020	NIL
2.	Mrs. Purvi Dugar. W/O Shri. Deepak Dugar	Rent paid	12 months	The lease is for initial period of 11 months commencing from the date of signing which can renewed for further 4 periods of 11 months each.	31/07/2020	NIL
3.	Mrs. Anjali Dugar. W/O Shri. Praveen Dugar	Rent paid	12 months	The lease is for initial period of 11 months commencing from the date of signing which can renewed for further 4 periods of 11 months each.	31/07/2020	NIL

For and on behalf of the Board

Sd/-

G. Chidambar  
(Chairman)

Place: Chennai  
Date : 29.06.2021

**ANNEXURE -II FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020**

**1. Brief outline on CSR Policy of the Company:**

The CSR policy of the Company outlines the various areas/activities in which the CSR expenditure is to be made with the following eight thrust areas:

- Education/ Literacy enhancement
- Environment protection / Horticulture
- Infrastructure development
- Drinking water / sanitation
- Health care / Medical facility
- Community development / social empowerment
- Contribution to Social welfare funds set up by Central / State Government
- Relief for victims of natural calamities

CSR Programmes will be implemented by the company either on its own or through any specialized agencies like NGOs, Trusts, Missions, Elected local Bodies like Panchayats, Self Help Groups, Mahila Mandals, community based organisations etc.

The poor and needy section of the society living in different parts of India would normally be covered. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. For this purpose, the company will normally spend the CSR amount within 100 KMs radius of its Head office or Branch offices.

CSR policy is available in company website: <https://www.mahaveerfinance.com/corp.php>

**2. <sup>3</sup>Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri. J. Chandrasekaran, Chairman	Chairman and Independent Director	2	2
2.	Sri. P.S Balasubramaniam	Independent Director	2	2
3.	Sri. Deepak Dugar	Joint Managing Director	2	2
4.	Sri. Praveen Dugar	Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The Corporate Social Responsibility Committee has been dissolved with effect from 29<sup>th</sup> June 2021, hence, the information about the Committee is not available in the website. The web-link for CSR policy and CSR expenditures made by the Company in FY 2020-21 is disclosed in <https://www.mahaveerfinance.com/corp.php>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL
6. Average net profit of the company as per section 135(5): Rs. 6,98,76,983/-

<sup>3</sup>As per the Section 135(9) of the Companies Act, 2013, the Corporate Social Responsibility Committee has been dissolved w.e.f 29th June 2021 and the powers of the said Committee vests with the Board of Directors.

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 13,97,540 /-  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set off for the financial year, if any: NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 13,97,540 /-  
 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 15,00,000/-	NA	NA	NA	NA	NA

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Donation to Rajasthani Educational Foundation, Tamil Nadu	ii. Promoting Education	Yes	Tamil Nadu	Chennai	5,00,000	No	Rajasthani Educational Foundation, Tamil Nadu	NIL
2.	Donation to Jain International Trade Organisation (JITO)	ii. Promoting Education	Yes	Tamil Nadu	Chennai	10,00,000	No	Jain International Trade Organisation (JITO)	NIL
	Total					15,00,000			

(d) Amount spent in Administrative Overheads : NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 15,00,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs)
1.	Two percent of average net profit of the company as per section 135(5)	Rs.13,97,540 /-
2.	Total amount spent for the Financial Year	Rs. 15,00,000/-
3.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 1,02,460/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 1,02,460/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):NIL

sd/-	sd/-	NA
(Chief Executive Officer or Managing Director or Director)	(Chairman of the Board)	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVEER FINANCE INDIA LIMITED

## Report on the Ind AS Financial Statements

### Opinion

- We have audited the accompanying Ind AS financial statements of MAHAVEER FINANCE INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("The Act" or "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<b>1. Adoption of New Accounting Framework (Ind AS) (Refer Note 2 (i) and Note 45 to the financial Statements)</b>	
Effective 1st April 2020, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1st April 2019. The following are the major impact areas for the Company upon transition:	✓ Reviewing the Ind AS impact assessment study done by the management to identify areas which were impacted on account of Ind AS transition.
a) Classification and measurement of Ind AS financial Assets and Financial Liabilities	✓ Critically reviewing and assessing the changes made to the accounting policies due to the adoption of the new financial reporting framework
b) Measurement of expected credit losses w.r.t. Loans	✓ Assessing the judgements exercised by the management in applying the first-time adoption principles of Ind AS 101 as at transition date
c) Accounting for Securitization and Assignment transactions	✓ Understanding the financial statement closure process and the controls established by the Company for transition to Ind AS.
d) Accounting for Borrowing related Fees and Costs	✓ Testing accounting adjustments posted as at the transition date, and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS
e) Accounting for Loan Processing Fee Income	✓ Assessing the adequacy of disclosures included in the Ind AS Financial Statements in accordance with the requirements of Ind AS (including with respect to the previous periods presented).
f) Remeasurement of Defined Benefit Obligations	
g) Accounting for Leases under Ind AS 116	
The migration to the new accounting framework (Ind AS) is a process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.	
We identified transition date accounting as a Key Audit Matter because of significant degree of management judgment and application on the areas noted above.	

<b>2. Impairment of Financial Assets based on Expected Credit Loss ('ECL') (Refer Note 3 (e)(iv) and 48 to the Standalone Financial Statements)</b>	
<p>As at March 31, 2021, the Company has made a provision for impairment loss aggregating Rs.239.19 Lacs against the loans outstanding of Rs. 31114.73 Lacs. Due to the significance of the judgments used in both classification of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as a key audit matter.</p> <p>Estimates regarding the impairment provision against loans are based on the expected credit loss model developed by the Company based on the guiding principles prescribed under Ind AS 109</p> <p>Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset.</p> <p>The key areas of judgement include:</p> <ul style="list-style-type: none"> <li>➤ Categorisation of loans in Stage 1, 2 and 3 based on identification of: <ul style="list-style-type: none"> <li>(a) exposures with significant increase in credit risk since their origination and</li> <li>(b) Individually impaired / default exposures.</li> </ul> </li> <li>➤ Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience.</li> <li>➤ The impact of different future macroeconomic conditions in the determination of ECL.</li> </ul> <p>Note 3 (e)(iv) to the Standalone Ind AS Financial Statements explains the various matters that the management has considered for developing this expected credit loss model.</p>	<ul style="list-style-type: none"> <li>✓ Obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology.</li> <li>✓ Assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.</li> <li>✓ Assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans.</li> <li>✓ For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.</li> <li>✓ Discussions with the management regarding significant judgments and estimates involved in the impairment computation.</li> <li>✓ Reviewed the financial statement disclosures made as per Ind AS 109 and Ind AS 107.</li> </ul>

#### **Emphasis of Matter**

4. We draw attention to Note 43 to the Ind AS financial statements regarding impact of COVID 19 pandemic wherein the management has described the probable impact on the company and the environment in which it operates and also the measures taken by the management to deal with these circumstances. It also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. Our opinion is not modified in this matter.

#### **Information Other than the Ind AS financial Statements and Auditor's Report Thereon**

5. The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including its Annexures, and other report placed by the management before the members, but does not include the Ind AS financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

6. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.
8. 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report.
  - 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, 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, if any, of pending litigations as at 31st March, 2021 on its financial position in its Ind AS financial statements – Refer Note 32.
    - (ii). The Company has long-term contracts as at 31st March, 2021 in respect of which, as represented by the management, there were no material foreseeable losses. The company does not have derivative contracts as at 31st March, 2021; and
    - (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Mumbai  
Date : June 29, 2021

For SINGHI & Co.  
Chartered Accountants  
Firm Registration Number : 302049E  
SUDESH CHORARIA  
Partner  
Membership No. 204936  
UDIN : 21204936AAAAFM1803

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 10 of the Independent Auditors’ Report of even date to the members of MAHAVEER FINANCE INDIA LIMITED on the Ind AS financial Statements as of and for the year ended 31<sup>st</sup> March, 2021.)**

We report that:

- i. In respect of its fixed assets:
  - a) According to 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 are physically verified by the management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - c) According to information and explanations given to us, there are no immovable properties held in the name of the company, and hence clause 3(i) (c) of the Order are not applicable to the company.
- ii. The Company is a Non-Banking Financial Company (NBFC) engaged in the business of giving loans and does not maintain any inventory. Hence the provision of clause 3 (ii) of the Order are not applicable to the company.
- iii. As informed 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 Companies Act. Therefore, the provision of clause 3(iii), (iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the company.
- iv. As informed to us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provision of clause 3(iv) of the said Order are not applicable to the company.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act 2013. Hence the provision of clause 3 (vi) of the Order are not applicable to the company
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company is generally regular, except for minor delays, in depositing undisputed statutory dues including Employees’ state insurance, Provident fund, Income Tax, Sales tax, Service Tax, Value added tax, Goods and Service tax, Customs Duty, Excise Duty, cess and other material statutory dues, as applicable, with appropriate authorities  
According to the records and information and explanations given to us no undisputed amount payable in respect of Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at 31<sup>st</sup> March 2021, for a period of more than six months from the date they became payable.
  - b) There are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us by the management, and based on our examination of the records of the company, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- ix. According to the information and explanations given to us by the management, and based on our examination of the records of the company, the term loans availed by the company from financial institutions/banks have been applied for the purpose for which they were raised. Further, no money was raised by the company during the year by way of Initial public offer or further public offer.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has paid managerial remuneration in accordance with the requisite approvals, where required, as mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order are not applicable to the company.
- xiii. According to the information and explanations provided to us and based on our examination of the records of the Company and as confirmed by the management, the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Ind AS Financial Statements in accordance with the applicable accounting standards;
- xiv. During the year, the Company has made private placement of Compulsorily Convertible Debentures and has complied with the provisions of section 42 of the Companies Act, 2013. As per the information and explanations provided to us, the amount raised have been used for the purposes for which the funds were raised
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of the clause 3(xv) of the Order are not applicable to the company.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and has obtained the Registration.

Place : Mumbai  
Date : June 29, 2021

For SINGHI & Co.  
Chartered Accountants  
Firm Registration Number : 302049E  
SUDESH CHORARIA  
Partner  
Membership No. 204936  
UDIN : 21204936AAAAFM1803

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 11(f) of the Independent Auditors’ Report of even date to the members of Mahaveer Finance India Limited on the Ind AS financial Statements as of and for the year ended 31<sup>st</sup> March, 2021)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of MAHAVEER FINANCE INDIA LIMITED (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

2. 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

6. 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 Ind AS 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:
- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
  - c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Ind AS financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

7. 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**

8. In our opinion, 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, 2021, 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.

Place : Mumbai  
Date : June 29, 2021

For SINGHI & Co.  
Chartered Accountants  
Firm Registration Number : 302049E  
SUDESH CHORARIA  
Partner  
Membership No. 204936  
UDIN : 21204936AAAAFM1803



# MAHAVEER FINANCE INDIA LIMITED

**Balance Sheet as at 31<sup>st</sup> March, 2021**

(All amount in ₹ Lakhs, except otherwise stated)

PARTICULARS	NOTE NO	March 31 2021	March 31 2020	April 1 <sup>st</sup> 2019
<b>Assets</b>				
<b>I. Financial Assets</b>				
(a) Cash and cash equivalents	4	3,538.94	141.68	175.42
(b) Bank Balance other than (a) above	5	1,584.04	195.18	106.40
(c) Receivables				
(I) "Trade receivables"				
(II) Other receivables	6	27.29	39.60	36.56
(d) Loans	7	31,923.70	26,467.50	20,140.00
(e) Investments	8	2.65	3.22	2,005.96
(f) Other Financial assets	9	321.42	440.18	324.49
<b>Total Financial Assets</b>		<b>37,398.05</b>	<b>27,287.37</b>	<b>22,788.83</b>
<b>2. Non-financial Assets</b>				
(a) Deferred tax Assets (Net)	10	138.60	145.48	103.26
(b) Property, Plant and Equipment	11	76.81	105.28	136.72
(c) Right of use assets	12	11.91	28.31	47.85
(d) Other Intangible assets	13	15.81	20.84	13.95
(e) Other non-financial assets	14	66.26	23.25	19.55
<b>Total Non-Financial Assets</b>		<b>309.39</b>	<b>323.16</b>	<b>321.33</b>
<b>Total Assets</b>		<b>37,707.44</b>	<b>27,610.53</b>	<b>23,110.14</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
<b>1. Financial Liabilities</b>				
(a) 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	15	89.58	72.76	37.17
(b) Borrowings (Other than Debt Securities)	16	21,475.29	18,088.45	14,246.89
(c) Subordinated Liabilities	17	6,955.51	2,980.88	2,973.27
(d) Lease liabilities		14.01	30.69	47.85
(e) Other financial liabilities	18	401.51	699.94	712.68
<b>Total Financial Liabilities</b>		<b>28,935.90</b>	<b>21,872.73</b>	<b>18,017.86</b>
<b>2. Non-Financial Liabilities</b>				
(a) Current tax liabilities (Net)	19	207.01	50.55	14.20
(b) Provisions	20	49.53	37.40	29.63
(c) Other non-financial liabilities	21	344.26	322.04	247.09
<b>Total Non-Financial Liabilities</b>		<b>600.80</b>	<b>410.00</b>	<b>290.92</b>
<b>3. Equity</b>				
(a) Equity Share capital	22	1,226.39	1,226.39	1,226.39
(b) Other Equity	SOCIE	6,944.35	4,101.41	3,574.98
<b>Total Equity</b>		<b>8,170.74</b>	<b>5,327.80</b>	<b>4,801.37</b>
<b>Total Liabilities and Equity</b>		<b>37,707.44</b>	<b>27,610.53</b>	<b>23,110.14</b>
Summary of significant accounting policies	1-3			
See accompanying notes forming part of the financial statements	4-51			

As per our report of even date attached

**For Singhi & Co.,**  
Chartered Accountants  
Firm Regn No. 302049E  
**Sudesh Choraria**  
Partner  
Membership No.204936

Place : Chennai  
Date : June 29, 2021

**Chidambar**  
Chairman  
DIN: 00017015

**M Praveen Dugar**  
Executive Director  
DIN: 00190780

For and on behalf of Board of Directors

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628

**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705

**Deepanjali Das**  
Company Secretary  
M.No.: A47410



# MAHAVEER FINANCE INDIA LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2021

(All amount in ₹ Lakhs, except otherwise stated)

PARTICULARS	NOTE NO	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest Income	23	6,005.11	5,004.42
Net gain on fair value changes	24	3.52	2.92
<b>(I) Total Revenue from operations</b>		<b>6,008.62</b>	<b>5,007.33</b>
(II) Other Income	25	40.22	36.42
<b>(III) Total Income (I+II)</b>		<b>6,048.84</b>	<b>5,043.75</b>
<b>Expenses</b>			
Finance Costs	26	3,015.85	2,471.26
Fees and commission expense	27	191.02	194.40
Impairment on financial instruments	28	346.15	247.54
Employee Benefits Expenses	29	935.93	969.13
Depreciation and amortization	30	72.71	93.29
Other expenses	31	358.27	368.20
<b>(IV) Total Expenses (IV)</b>		<b>4,919.94</b>	<b>4,343.83</b>
<b>(V) Profit before tax (III -IV )</b>		<b>1,128.90</b>	<b>699.92</b>
<b>(VI) Tax Expense:</b>			
- Current Tax		280.00	223.40
- Deferred Tax		9.44	(44.15)
<b>(VII) Profit for the year(V-VI)</b>		<b>839.46</b>	<b>520.67</b>
<b>(VIII) Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss Gain/(loss) on remeasurements of the defined benefit obligation		4.65	7.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.17)	(1.94)
<b>Subtotal (A)</b>		<b>3.48</b>	<b>5.76</b>
(B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>3.48</b>	<b>5.76</b>
<b>(IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>842.94</b>	<b>526.43</b>
<b>(X) Earnings per equity share of ₹10 each</b>			
Basic (₹)	35	6.87	4.29
Diluted (₹)		6.87	4.29
Summary of significant accounting policies	1-3		
See accompanying notes forming part of the financial statements	4-51		

As per our report of even date attached

**For Singhi & Co.,**  
Chartered Accountants  
Firm Regn No. 302049E  
**Sudesh Choraria**  
Partner  
Membership No.204936

Place : Chennai  
Date : June 29, 2021

**Chidambar**  
Chairman  
DIN: 00017015  
**M Praveen Dugar**  
Executive Director  
DIN: 00190780

For and on behalf of Board of Directors

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628  
**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705  
**Deepanjali Das**  
Company Secretary  
M.No.: A47410

# MAHAVEER FINANCE INDIA LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021** (All amount in ₹ Lakhs, except otherwise stated)

PARTICULARS	NOTE NO	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I. Cash Flow from Operating Activities</b>			
Profit before tax		1,128.90	699.92
Adjustment for :			
Impairment on financial instruments		346.15	247.54
Depreciation and amortization		72.71	93.29
Finance Costs		3,015.85	2,471.26
Unrealised (gain)/ loss on fair value changes		0.55	-
Profit on sale/ discard of Property, Plant & Equipment		-	(0.04)
<b>Operating Profit Before Working Capital Changes</b>		<b>4,564.16</b>	<b>3,511.97</b>
Adjustments for :-			
<b>(Increase)/Decrease in operating Assets</b>			
- Loans		(5,802.35)	(6,575.04)
- Other Receivables		(1,302.36)	(211.31)
<b>(Decrease)/Increase in operating Liabilities &amp; provisions</b>			
- Liabilities		(261.57)	97.89
- Provisions		16.78	15.48
<b>Cash Flow used in Operations</b>		<b>(2,785.34)</b>	<b>(3,161.01)</b>
Finance Costs paid		(3,038.07)	(2,458.36)
Income tax paid (Net of refunds)		(123.53)	(187.06)
<b>Net Cash Used in Operating Activities (A)</b>		<b>(5,946.94)</b>	<b>(5,806.43)</b>
<b>II. Cash Flow from Investing Activities</b>			
Purchase of Property, plant and Equipment and Intangible Assets		(22.81)	(49.21)
Proceed from sale of Property, plant and Equipment		-	0.04
Movement of Investment (net)		-	2,002.74
<b>Net Cash from /(used) in Investing Activities (B)</b>		<b>(22.81)</b>	<b>1,953.57</b>
<b>III. Cash Flow from Financing Activities</b>			
Proceed from issuance of Compulsory Convertible Debentures		2,000.00	-
Proceeds from issue of Subordinated Liabilities		5,000.00	-
Repayment of Subordinated Liabilities		(1,000.00)	-
Payment of Lease liabilities		(19.83)	(22.45)
Proceeds from Borrowing other than debt securities		15,700.00	3,841.57
Repayment of Borrowings other than debt securities		(12,313.17)	-
<b>Net Cash From Financing Activities (C)</b>		<b>9,367.00</b>	<b>3,819.12</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>3,397.25</b>	<b>(33.74)</b>
Cash and Cash Equivalents at the Beginning of the year (Refer Note 4)		141.68	175.42
Cash and Cash Equivalents at the End of the year (Refer Note 4)		3,538.94	141.68
Summary of significant accounting policies	1-3		
See accompanying notes forming part of the financial statements	4-51		

As per our report of even date attached

**For Singhi & Co.,**  
Chartered Accountants  
Firm Regn No. 302049E  
**Sudesh Choraria**  
Partner  
Membership No.204936

Place : Chennai  
Date : June 29, 2021

**Chidambar**  
Chairman  
DIN: 00017015  
**M Praveen Dugar**  
Executive Director  
DIN: 00190780

For and on behalf of Board of Directors

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628  
**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705  
**Deepanjali Das**  
Company Secretary  
M.No.: A47410

# MAHAVEER FINANCE INDIA LIMITED

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2021** (All amount in ₹ Lakhs, except otherwise stated)

A.	Equity Share Capital	Balance as at April 1, 2019	Change during the year 2019-20	Balance as at March 31, 2020	Change during the year 2020-21	Balance as at March 31, 2021
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
	Equity Shares of Rs. 10/- each, fully paid up	1,226.39	-	1,226.39		1,226.39
	<b>Total</b>	<b>1,226.39</b>	<b>-</b>	<b>1,226.39</b>	<b>-</b>	<b>1,226.39</b>

(All amount in ₹ Lakhs, except otherwise stated)

B.	Other Equity	Reserves and Surplus				Compulsory Convertible Debentures	Total
		Security Premium	General Reserve	Statutory Reserves	Retained Earnings		
	<b>Restated Balance as at 01 April, 2019 \$</b>	<b>2,073.63</b>	<b>112.60</b>	<b>393.43</b>	<b>995.31</b>	-	<b>3,574.98</b>
	Profit for the year	-	-	-	520.67	-	520.67
	Other Comprehensive Income (net of tax)	-	-	-	5.76	-	5.76
	<b>Total Comprehensive Income</b>	-	-	-	<b>526.43</b>	-	<b>526.43</b>
	Transfer to Statutory Reserves	-	-	116.98	(116.98)	-	-
	Transfer to General Reserves	-	10.00	-	(10.00)	-	-
	<b>Balance as at 31 March, 2020</b>	<b>2,073.63</b>	<b>122.60</b>	<b>510.41</b>	<b>1,394.76</b>	-	<b>4,101.41</b>
	Profit for the year	-	-	-	839.46	-	839.46
	Other Comprehensive Income (net of tax)	-	-	-	3.48	-	3.48
	<b>Total Comprehensive Income</b>	-	-	-	<b>842.94</b>	-	<b>842.94</b>
	Issuance of Compulsory Convertible Debentures during the year	-	-	-	-	2,000.00	2,000.00
	Transfer to Statutory Reserves	-	-	171.12	(171.12)	-	-
	Transfer to General Reserves	-	10.00	-	(10.00)	-	-
	<b>Balance as at 31st March, 2021</b>	<b>2,073.63</b>	<b>132.60</b>	<b>681.53</b>	<b>2,056.58</b>	<b>2,000.00</b>	<b>6,944.35</b>

\$ Refer Note 45 of transition to Ind AS.

## Notes: Nature and purpose of reserve

- Statutory reserve (Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"))**  
Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit annually as disclosed in the Statement of Profit and Loss, before any dividend is declared.
- General reserve**  
Represents accumulated profits set apart by way of transfer from current year Profits or/and Retained Earnings. General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.
- Security Premium**  
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings**  
Retained Earnings represents the accumulated available profit of the Company including the amounts carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.
- Compulsory Convertible Debentures**  
Terms of Issue : During the year, the Company has issued 2000 Nos. Unsecured Compulsorily Convertible Debentures (CCD) of face value of Rs.1,00,000 each to the Investors. The CCDs shall be converted on or after 48 months from the date of investment at the price agreed upon as per the investment agreement. Until Conversion, the Company shall serve a quarterly coupon @ 17% p.a. to the Investors.

As per our report of even date attached

**For Singhi & Co.,**  
Chartered Accountants  
Firm Regn No. 302049E  
**Sudesh Choraria**  
Partner  
Membership No.204936

Place : Chennai  
Date : June 29, 2021

**Chidambar**  
Chairman  
DIN: 0017015  
**M Praveen Dugar**  
Executive Director  
DIN: 00190780

For and on behalf of Board of Directors

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628  
**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705  
**Deepanjali Das**  
Company Secretary  
M.No.: A47410

# MAHAVEER FINANCE INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 1. Company Overview

Mahaveer Finance India Limited (the 'Company') is a unlisted Public Limited Company domiciled in India and incorporated on 05-01-1981 under the provisions of the Companies Act 1956 ('the Act'). The Company is registered with the Reserve Bank of India (RBI) since Inception. The last renewed Certificate of registration was issued by RBI on November 12, 2015 to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

As per the revised guidelines issued by Reserve Bank of India ('RBI'): RBI/2014-15/299 / DNBR (PD) CC.No.002/03.10.001/2014-15, dated November 10, 2014 ('the guidelines'), since the asset size of the Company was less than Rs. 500 crore, the Company is classified as NBFC-Non Deposit taking and Non-Systematically Important (NBFC-ND).

The financial statements of the Company for the year ended March 31, 2021 were authorized for issue by the Board of Directors at their meeting held on 29th June 2021.

### 2. Basis of Preparation

#### (i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time and other accounting principles generally accepted in India along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company– Not Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The Company's financial statements up to and for the year ended March 31, 2020 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The financial statements for the year ended March 31, 2021 are the first financial statements of the Company prepared under Indian Accounting Standards (Ind AS). The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 01, 2019. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2019 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 01, 2019 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 45.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 42.

#### (ii) Basis of Measurement

"These financial statements have been prepared on a historical cost basis except for following assets and liabilities which have been measured at fair value

i) financial instruments - fair value through profit and loss (FVTPL);

ii) defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets."

Fair value is the price that would be received to sell of an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Impairment of Assets.

“In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.”

### **(iii) Significant accounting Judgements and Estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### **Judgements**

“Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.”

#### **Assumptions and estimation uncertainties**

“Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of property, plant and equipment, other intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- Measurement of expected credit losses.
- Uncertainty relating to the global health pandemic”

### **(iv) Functional and presentation currency**

Indian Rupee (₹) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that

financial statements are presented in Indian Rupees (₹). All amounts have been rounded-off to the nearest lakhs upto two decimal places, unless otherwise indicated.

### **3. Significant Accounting Policies**

#### **a Property, plant and equipment**

##### **Recognition and measurement**

Property, plant and equipment ('PPE') are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably.

Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year. PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase. Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

##### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### **Depreciation**

Depreciation on property, plant and equipment is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Depreciation on the Property Plant and Equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.

##### **Transition to Ind AS**

The Company has elected to continue with the carrying value of all its property plant and equipment recognised as at April 01, 2019 measured as per the previous GAAP, and use that carrying value as the deemed cost of the PPE.

#### **b Other Intangible Assets**

##### **Recognition and measurement**

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.

##### **Subsequent Measurement**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

## **Amortisation**

The intangible assets are amortised using the straight line method over a period of three years [which is the management's estimate of its useful life] from the date when the asset is available for use or license period which ever is lower. Amortisation on the intangible asset disposed off during the year is provided on pro-rata basis with reference to the date of disposal. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **Transition to Ind AS**

The Company has elected to continue with the carrying value of all its other intangible assets recognised as at April 01, 2019 measured as per the previous GAAP, and use that carrying value as the deemed cost of the Other Intangible assets.

### **c Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

### **d Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

## **Interest and allied Income**

"Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

Late payment charges, prepayment charges etc. are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting and reported under "Fees and commission income".

## **Dividend Income**

Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

## **Net Gain/ Loss on Fair Value Changes**

Any differences between the fair values of the investment in debt oriented mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as



an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss.

#### **Assignor’s Yield on Direct Assignments**

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

#### **Business Correspondent Operations**

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

### **e Financial Instruments**

A Financial Instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of another entity.

#### **(i) Initial recognition and measurement**

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

#### **(ii) Subsequent recognition**

##### **(A) Financial Assets**

On initial recognition, a financial asset is classified and measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



**Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

**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. 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 financial assets going forward.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
Financial assets measured at Amortised Cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**(B) Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss respectively.

### **(iii) Derecognition**

#### **Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

“The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset
- Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the ‘original asset’), but assumes a contractual obligation to pay those cash flows to one or more entities (the ‘), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay. In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

#### **Financial Liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### (iv) Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance.

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Particulars	Criteria
"Stage 1 (1-30 Days)"	includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
"Stage 2 (31-90 Days)"	includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
"Stage 3 (More than 90 Days)"	includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD):** The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

**Loss Given Default (LGD):** LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

**Exposure at Default (ED):** EAD is based on the amounts the Company expects to be owed at the time of default.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

#### (v) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

#### Borrowing costs

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings and recognised using the Effective Interest Rate (EIR) method. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

#### Employee benefits

##### (i) Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## **(ii) Define Contribution Plan**

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

## **(iii) Define Benefit Plan**

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

## **(iv) Other long-term employee benefits**

The Company has long term employment benefit plans i.e. accumulated leave. As per Company's policy, unutilised leaves will be lapsed at each year end.

## **h Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## **i Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **ii. Deferred tax**

Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **j Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for exchange difference arising on re-statement of long-term monetary items that in substance forms part of Company's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

## **k Cash and cash equivalent**

Cash and cash equivalents comprise cash on hand, cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **l Leases**

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.

### **Company as a lessee**

The Company assesses if a contract is or contains a lease at 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 time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset.

Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified on the face of the Balance Sheet.

#### **Company as a lessor**

When the Company is the lessor, the lease are classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### **m Segment Reporting**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Financing Activities."

#### **n Earning per equity share**

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity 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.

**o Upfront servicers fees booked on direct assignment**

Servicer fees payable for servicing loan contracts under direct assignment are discounted at the applicable rate entered into with the assignee and recognised upfront in the balance sheet and amortised on a straight line basis over the remaining contractual maturity of the underlying loans.

**p Standards issued but not yet effective**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amount in ₹ Lakhs, except otherwise stated)

4	Cash & Cash Equivalents	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Cash on Hand		112.08	3.65	6.28
	Balance with banks : in Current Accounts		3,426.86	138.03	169.14
	<b>Total</b>		<b>3,538.94</b>	<b>141.68</b>	<b>175.42</b>

5	Bank Balance other than Cash & Cash Equivalents	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Fixed Deposits (with original maturity more than 3 months)	5.1	1,583.20	192.79	103.91
	<b>Earmarked balance with banks</b>				
	- On dividend Accounts		0.84	2.39	2.49
	<b>Total</b>		<b>1,584.04</b>	<b>195.18</b>	<b>106.40</b>

5.1 Includes deposits of Rs.83.20 Lacs (31.03.2020 - Rs.192.79 Lacs and 01.04.2019- Rs.103.91 Lacs) placed as margin money with banks.

6	Other Receivables	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>At amortised cost</b>				
	Considered good - Unsecured	6.1	27.29	39.60	36.56
	Less: Allowance for impairment loss		-	-	-
	<b>Total</b>		<b>27.29</b>	<b>39.60</b>	<b>36.56</b>

6.1 No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

7	Loans	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>At amortised cost</b>				
(a)	Portfolio Loans		31,114.73	25,005.45	19,250.85
	Reposessed Assets		467.37	550.46	526.92
(b)	MRR on securitised Contracts & Direct Assignment		168.29	531.06	-
(c)	<b>Others</b>				
	- Over Collateralization		127.53	167.54	270.05
	- BPI on Loan Assets		263.61	271.65	188.81
	- Others		122.27	174.43	44.66
	<b>Gross Loans</b>		<b>32,263.79</b>	<b>26,700.58</b>	<b>20,281.29</b>
	Less: Impairment loss allowance				
	Provision for Non-performing Assets		(164.88)	(76.84)	(48.33)
	Provision for Standard Assets		(74.31)	(59.89)	(46.01)
	Provision for Repo Assets		(41.43)	(66.61)	(46.95)
	Provision for Impact of Covid 19		(59.47)	(29.73)	-
	<b>Net Loans</b>		<b>31,923.70</b>	<b>26,467.50</b>	<b>20,140.00</b>

7.1	<b>Breakup of total loans</b>				
	Secured by tangible assets		32,263.79	26,700.58	20,281.29
	<b>Gross Loans</b>		<b>32,263.79</b>	<b>26,700.58</b>	<b>20,281.29</b>
	Less: Impairment loss allowance		(340.09)	(233.08)	(141.29)
	<b>Net Loans</b>		<b>31,923.70</b>	<b>26,467.50</b>	<b>20,140.00</b>

7.2	<b>Loans in India</b>				
	Public Sector		-	-	-
	Others		32,263.79	26,700.58	20,281.29
	<b>Gross Loans</b>		<b>32,263.79</b>	<b>26,700.58</b>	<b>20,281.29</b>
	Less: Impairment loss allowance		(340.09)	(233.08)	(141.29)
	<b>Net Loans</b>		<b>31,923.70</b>	<b>26,467.50</b>	<b>20,140.00</b>



7.3 Loans to related party includes ₹ Nil (previous periods ₹ Nil) due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

7.4 For additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD No.109/22.10.106/2019-20 dated March 13, 2020, refer note 55.

Face Value - ₹ 10 each unless otherwise specified

8	Investments	Face Value (₹)	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020		As at 1 <sup>st</sup> April, 2019	
			Nos/Units	Amount	Nos/Units	Amount	Nos/Units	Amount
(A)	<b>At fair value through profit or loss Investment in mutual funds</b>							
	Northern Arc Money Market Alpha fund			-	-	-	5,00,000	500.87
	SBI Mutual fund - Regular Growth			-	-	-	51,499	1,501.87
	<b>Total (A)</b>		-	-	-	-	-	<b>2,002.74</b>
(B)	<b>At fair value through Profit &amp; Loss Investment in Equity instruments</b>							
	<b>Quoted</b>							
	Deccan Finance Ltd		50	0.00	50	0.00	50	0.00
	DFL Infrastructure Finance Ltd. (formerly known as Dhandapani finance Ltd. )		1	0.00	1	0.00	1	0.00
	Indian Seamless Enterprises Ltd		4	0.00	4	0.00	4	0.00
	Indo Asian Finance Ltd		3	0.00	3	0.00	3	0.00
	Jhagadia Copper Ltd		90	0.00	90	0.03	90	0.00
	Onida Finance Ltd		800	0.00	800	0.00	800	0.03
	Sakthi Finance Ltd		-	0.00	100	0.01	100	0.02
	Sundaram Finance Ltd		100	2.57	100	3.13	100	3.08
	Sundaram Finance Holdings Ltd		100	0.08	100	0.04	100	0.04
	Tatia Skyline Ltd		400	0.00	400	0.00	400	0.02
	The Karur Vysya Bank Ltd.		-	0.00	38	0.01	38	0.03
	<b>Sub total</b>			<b>2.65</b>		<b>3.22</b>		<b>3.22</b>
	<b>Unquoted</b>							
	Deccan Finance Ltd		50	0.00	50	0.00	50	0.00
	<b>Sub total</b>			<b>0.00</b>		<b>0.00</b>		<b>0.00</b>
	<b>Total (B)</b>		-	<b>2.65</b>	-	<b>3.22</b>	-	<b>3.22</b>
	<b>Total (C) = (A+B)</b>			<b>2.65</b>		<b>3.22</b>		<b>2,005.96</b>
	(i) Investments outside India		-	-	-	-	-	-
	(ii) Investments in India			2.65		3.22	-	2,005.96
				<b>2.65</b>		<b>3.22</b>		<b>2,005.96</b>
	Less: Allowance for Impairment loss			-		-		
				<b>2.65</b>		<b>3.22</b>		<b>2,005.96</b>

Aggregate Face Value of Quoted Investments	0.15	0.17	0.17
Aggregate Face Value of Unquoted Investments	0.00	0.00	0.00
Aggregate Market value of quoted Investments	2.65	3.22	3.22
Aggregate Value of Mutual Funds Investments	-	-	2,002.74

9	Other Financial assets	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>Unsecured, Considered good</b>				
	Security deposits		86.06	85.73	86.48
	Interest only strip receivable		221.24	329.20	215.01
	Sundry Deposits		2.22	1.72	0.82
	Others receivable		11.91	23.53	22.18
	<b>Total</b>		<b>321.42</b>	<b>440.18</b>	<b>324.49</b>

10	Deferred tax Assets	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>A. Deferred Tax Assets:</b>	<b>44</b>			
	<b>On account of</b>				
	Expenses allowable on payment basis		52.92	56.60	35.28
	Timing difference in Property, plant and equipment		21.10	20.40	15.68
	Deferred Revenue Expenditure		66.06	69.97	53.80
	<b>Total (A)</b>		<b>140.09</b>	<b>146.96</b>	<b>104.75</b>
	<b>B. Deferred Tax Liabilities:</b>				
	<b>On account of</b>				
	Gain on fair Value changes		1.49	1.49	1.49
	<b>Total : (B)</b>		<b>1.49</b>	<b>1.49</b>	<b>1.49</b>
	<b>Total = B-A</b>		<b>138.60</b>	<b>145.48</b>	<b>103.26</b>

11	Property, Plant and equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
	<b>Deemed cost as at 1st April, 2019</b>	<b>75.50</b>	<b>14.92</b>	<b>11.47</b>	<b>34.83</b>	<b>136.72</b>
	Additions	4.82	2.77	14.36	-	21.95
	Disposals	-	-	-	-	-
	<b>As at 31 March, 2020</b>	<b>80.32</b>	<b>17.69</b>	<b>25.83</b>	<b>34.83</b>	<b>158.68</b>
	Additions	1.51	1.80	6.13	-	9.44
	Disposals	(0.21)	-	-	-	(0.21)
	<b>As at 31 March, 2021</b>	<b>81.62</b>	<b>19.49</b>	<b>31.96</b>	<b>34.83</b>	<b>167.91</b>
	<b>Deemed Accumulated Depreciation as at 1st April, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Depreciation for the year	20.03	5.32	12.84	15.20	53.40
	Deductions	-	-	-	-	-
	<b>As at 31 March, 2020</b>	<b>20.03</b>	<b>5.32</b>	<b>12.84</b>	<b>15.20</b>	<b>53.40</b>
	Depreciation for the year	15.35	3.34	8.66	10.45	37.80
	Deductions	(0.10)	-	-	-	(0.10)
	<b>As at 31 March, 2021</b>	<b>35.28</b>	<b>8.66</b>	<b>21.50</b>	<b>25.65</b>	<b>91.10</b>
	<b>Net Carrying Amount</b>					
	As at 01 April 2019	<b>75.50</b>	<b>14.92</b>	<b>11.47</b>	<b>34.83</b>	<b>136.72</b>
	As at 31 March 2020	<b>60.29</b>	<b>12.37</b>	<b>12.99</b>	<b>19.63</b>	<b>105.28</b>
	As at 31 March, 2021	<b>46.34</b>	<b>10.83</b>	<b>10.46</b>	<b>9.18</b>	<b>76.81</b>

12	Right to Use Assets	Building	13	Other Intangible assets	Software
	<b>Deemed cost as at 1st April, 2019</b>	<b>47.85</b>		<b>Deemed cost as at 1st April, 2019</b>	<b>13.95</b>
	Additions	-		Additions	27.25
	Disposals	-		Disposals	-
	<b>As at 31 March, 2020</b>	<b>47.85</b>		<b>As at 31 March, 2020</b>	<b>41.20</b>
	Additions	-		Additions	13.48
	Disposals	-		Disposals	-
	<b>As at 31 March, 2021</b>	<b>47.85</b>		<b>As at 31 March, 2021</b>	<b>54.68</b>
	<b>Accumulated Depreciation</b>	-		<b>Accumulated Depreciation</b>	-
	Depreciation for the year	19.54		Depreciation for the year	20.35
	Deductions	-		Deductions	-
	<b>As at 31 March, 2020</b>	<b>19.54</b>		<b>As at 31 March, 2020</b>	<b>20.35</b>
	Depreciation for the year	16.40		Depreciation for the year	18.51
	Deductions	-		Deductions	-
	<b>As at 31 March, 2021</b>	<b>35.94</b>		<b>As at 31 March, 2021</b>	<b>38.86</b>
	<b>Net Carrying Amount</b>			<b>Net Carrying Amount</b>	
	As at 01 April 2019	47.85		As at 01 April 2019	13.95
	As at 31 March 2020	28.31		As at 31 March 2020	20.84
	As at 31 March, 2021	11.91		As at 31 March, 2021	15.81

14	Other Non - Financial assets	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Prepaid Expenses		3.01	0.34	1.11
	Other Advances		34.79	14.72	10.21
	Balance with Government Authorities		28.41	8.13	8.14
	Other		0.06	0.06	0.09
	<b>Total</b>		<b>66.26</b>	<b>23.25</b>	<b>19.55</b>

15	Trade Payables	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	a) total outstanding dues of micro and small enterprises	38	-	-	-
	b) total outstanding dues of creditors other than micro and small enterprises		89.58	72.76	37.17
	<b>Total</b>		<b>89.58</b>	<b>72.76</b>	<b>37.17</b>

16	Borrowings (Other than Debt Securities)	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>At Amortised Cost</b>				
	<b>a. Secured Loans</b>				
	Term Loan from banks		3,974.48	5,251.15	3,020.99
	Cash Credit from banks		2,580.50	2,635.43	2,344.30
	From other parties		13,994.78	9,527.32	8,309.69
	Vehicle loans		14.95	28.71	41.83
	Associated liabilities related to securitisation transaction		371.77	449.91	373.96
	<b>Sub total (a)</b>		<b>20,936.48</b>	<b>17,892.51</b>	<b>14,090.77</b>
	<b>b. Unsecured Loans</b>				
	From other parties		-	-	-
	From related Parties		375.00	240.23	155.40
	<b>Sub total (b)</b>		<b>375.00</b>	<b>240.23</b>	<b>155.40</b>
	<b>Sub total (c = a+b)</b>		<b>21,311.48</b>	<b>18,132.74</b>	<b>14,246.17</b>
	Add :- Interest accrued but not due		297.09	83.27	58.29
	Less :- Unamortised other borrowing costs		(133.29)	(127.56)	(57.57)
	<b>Total</b>		<b>21,475.29</b>	<b>18,088.45</b>	<b>14,246.89</b>

- 16.1 a. Term loans from banks are secured by hypothecation of specific assets covered by way of a charge on Hypothecation Loan Receivables/ Hire purchase / Lease agreements.
- b. Cash Credit facilities are secured by way of floating charge on Hypothecation Loan Receivables, Hire Purchase / Lease agreements, ranking pari passu, excluding assets which are specifically charged to others.
- c. Associated liabilities relating to securitisation transactions represents the net outstanding value of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee.
- d. Vehicles are hypothecated for respective borrowings availed for purchase of the vehicles.

## 16.2 Repayment Terms

(Amounts in ₹ in lakhs)

### Term of repayment of borrowings and subordinated liabilities as at March 31, 2021

Particulars	Repayment	Interest rate range	Date within 1 Year			Date within 1 to 2 Years			Date within 2 to 3 Years			Total	
			No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	Amount
Borrowings other than Debt Securities	Monthly	8% to 12%	23	586.40	6	184.17	-	-	-	-	-	-	770.56
		12.01% to 16%	478	7,933.05	324	4,925.37	140	3,707.29	2	63.63	2	63.63	16,629.34
	Quarterly	12.01% to 16%	5	209.30	-	-	-	-	-	-	-	-	209.30
On Demand		Variable		3,624.36								375.00	3,999.36
			<b>506</b>	<b>12,353.12</b>	<b>330</b>	<b>5,109.53</b>	<b>140</b>	<b>3,707.29</b>	<b>2</b>	<b>438.63</b>	<b>2</b>	<b>438.63</b>	<b>21,608.57</b>
Less: Unamortised Ancillary cost of arranging the borrowings													(133.29)
													<b>21,475.29</b>
<b>Subordinated Liabilities</b>	Bullet	11% to 16%	-	-	-	2,000.00	-	5,000.00	-	-	-	-	7,000.00
Less: Unamortised Ancillary cost of arranging the borrowings													(44.49)
													<b>6,955.51</b>

### Term of repayment of borrowings and subordinated liabilities as at March 31, 2020

Particulars	Repayment	Interest rate range	Date within 1 Year			Date within 1 to 2 Years			Date within 2 to 3 Years			Total	
			No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	Amount
Borrowings other than Debt Securities	Monthly	8% to 12%	65	833.78	43	312.80	7	61.35	-	-	-	-	1,207.93
		12.01% to 16%	360	1,573.70	237	9,597.42	82	689.04	-	405.62	-	405.62	12,265.78
	Quarterly	12.00% to 16%	47	1,207.46	2	126.00	-	-	-	-	-	-	1,333.47
On Demand		Variable		3,168.61								240.23	3,408.84
			<b>472</b>	<b>6783.55</b>	<b>282</b>	<b>10,036.23</b>	<b>89</b>	<b>750.38</b>	<b>-</b>	<b>645.85</b>	<b>-</b>	<b>645.85</b>	<b>18,216.01</b>
Less: Unamortised Ancillary cost of arranging the borrowings													(127.56)
													<b>18,088.45</b>
<b>Subordinated Liabilities</b>	Bullet	11% to 16%	-	1,000.00	-	-	-	2,000.00	-	-	-	-	3,000.00
Less: Unamortised Ancillary cost of arranging the borrowings													(19.12)
													<b>2,980.88</b>

## 16.2 Repayment Terms (Contd.)

(Amounts in ₹ in lakhs)

### Term of repayment of borrowings and subordinated liabilities as at April 01, 2019

Particulars	Repayment	Interest rate range	Date within 1 Year		Date within 1 to 2 Years		Date within 2 to 3 Years		More than 3 years		Total
			No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	
Borrowings other than	Monthly	8% to 12%	50	1,164.95	29	640.42	14	95.48	5	2.93	1,903.78
Debt Securities		12.01% to 16%	207	4,119.10	161	3,464.45	67	1,260.18	-	-	8,643.73
	Quarterly	12.00% to 16%	24	333.33	21	291.67	-	-	-	-	625.00
	On Demand	Variable		2,776.56						155.40	2,931.96
			<b>281</b>	<b>8,393.94</b>	<b>211</b>	<b>4,396.53</b>	<b>81</b>	<b>1,355.66</b>	<b>5</b>	<b>158.33</b>	<b>14,304.47</b>
Less: Unamortised Ancillary cost of arranging the borrowings											(57.57)
											<b>14,246.89</b>
<b>Subordinated Liabilities</b>	Bullet	Above 16%	-	-	-	1,000.00	-	-	-	2,000.00	3,000.00
Less: Unamortised Ancillary cost of arranging the borrowings											(26.73)
											<b>2,973.27</b>

17	Subordinated Liabilities	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	<b>Secured (At Amortised Cost) (In India)*</b>				
	13.50% Redeemable Non Convertible Debentures (100 Nos.(PY 200 Nos.) of Face Value of Rs.10,00,000/- each) (5 years -Due in August 2022)		1,000.00	2,000.00	2,000.00
	13.5% Redeemable Non Convertible Debentures (50 Nos. of Face Value of Rs.10,00,000/- each) (3 years -Due in June 2023 ) CSB		500.00		
	11.5% Redeemable Non Convertible Debentures (50 Nos. of Face Value of Rs.10,00,000/- each) (3 years -Due in May 2023 ) IOB		500.00		
	12% Redeemable Non Convertible Debentures (150 Nos. of Face Value of Rs.10,00,000/- each) (3 years -Due in July 2023 ) IB		1,500.00		
	11.5% Redeemable Non Convertible Debentures (100 Nos. of Face Value of Rs.10,00,000/- each) (3 years - Due in Aug 2023 ) PNB		1,000.00		
	11.5% Redeemable Non Convertible Debentures (150 Nos. of Face Value of Rs.10,00,000/- each) (3 years -Due in April 2023 ) SBI		1,500.00		
	<b>Unsecured (At Amortised Cost) (In India )</b>				
	16.40% Redeemable Subordinated Non Convertible Debentures (100 Nos. of Face Value of Rs.10,00,000/- each) (6 years -Due in May 2022)		1,000.00	1,000.00	1,000.00
	Less :- Unamortised other borrowing costs		(44.49)	(19.12)	(26.73)
	<b>Total</b>		<b>6955.51</b>	<b>2980.88</b>	<b>2973.27</b>

\* Secured Redeemable Non Convertible Debentures are secured by Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

**17.1 Details of Subordinated Liabilities - Contractual principal repayment value**

Secured / Unsecured Redeemable Non-Convertible Debentures (In India)- Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value	Balance as at		Rate of Interest %
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	
100	10,00,000	1,000.00	1,000.00	16.40
100	10,00,000	1,000.00	2,000.00	13.50
50	10,00,000	500.00	-	13.50
50	10,00,000	500.00	-	11.50
150	10,00,000	1,500.00	-	12.00
100	10,00,000	1,000.00	-	11.50
150	10,00,000	1,500.00	-	11.50

18	Other financial liabilities	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Salary payable		77.60	6.15	54.94
	Unpaid dividends@		0.80	2.28	2.30
	Securitisation Payable		101.97	246.32	150.41
	Cash profit on Loan Transfer transaction pending recognition		114.35	367.36	217.82
	Other payables		106.79	77.83	287.21
	<b>Total</b>		<b>401.51</b>	<b>699.94</b>	<b>712.68</b>

@ on becoming due, will be transferred to Investor Education & Protection Fund

19	Current tax Liabilities (net)	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Current tax Liabilities (net)		207.01	50.55	14.20
	<b>Total</b>		<b>207.01</b>	<b>50.55</b>	<b>14.20</b>

20	Provisions	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Provision for employee benefits		49.53	37.40	29.63
	<b>Total</b>		<b>49.53</b>	<b>37.40</b>	<b>29.63</b>

21	Other Non-financial liabilities	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	Income received in advance		305.78	278.00	213.75
	Statutory dues payable		38.48	44.04	33.34
	<b>Total</b>		<b>344.26</b>	<b>322.04</b>	<b>247.09</b>



(All amount in ₹ Lakhs, except otherwise stated)

22	Share capital	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
<b>A. Authorised Capital</b>	2,50,00,000 (Previous Year as at 31.03.20 : 2,50,00,000 and 01.04.19: 2,50,00,000) Equity Shares of Rs.10/- each	2,500.00	2,500.00	2,500.00
<b>B. Issued, Subscribed and fully paid-up</b>	1,22,63,866 (Previous Year as at 31.03.20 : 1,22,63,866 and 01.04.19: 1,22,63,866) Equity Shares of Rs. 10/- each, fully paid up	2,500.00	2,500.00	2,500.00
		1,226.39	1,226.39	1,226.39
		1,226.39	1,226.39	1,226.39
	<b>Outstanding at the end of the year</b>	1,226.39	1,226.39	1,226.39

**C. Reconciliation of the numbers of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
	No. of Shares	No. of Shares	No. of Shares
At the beginning of year	1,22,63,866	1,22,63,866	1,22,63,866
Add:- Issued during the year	-	-	-
<b>Outstanding at the end of period</b>	<b>1,22,63,866</b>	<b>1,22,63,866</b>	<b>1,22,63,866</b>

**D. Details of each equity shareholder holding more than 5% shares :-**

Name of Shareholders	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020		As at 1 <sup>st</sup> April, 2019	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Mahaveerchand Dugar N	13,60,500	11.09%	13,60,500	11.09%	13,60,500	11.09%
Gunasundari Dugar M	25,52,273	20.81%	25,52,273	20.81%	20,93,773	17.07%
Deepak Dugar M	19,63,025	16.01%	19,63,025	16.01%	19,63,025	16.01%
Praveen Dugar M	19,60,156	15.98%	19,60,156	15.98%	19,60,156	15.98%
Banyan Tree Growth Capital II, LLC	42,63,866	34.77%	42,63,866	34.77%	42,63,866	34.77%

**E. Rights and preferences attached to Equity Shares :**

Equity shares have a par value of Rs.10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

23	Interest Income	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
	<b>On Financial Assets measured at Amortised Cost</b>		
	Interest on Loans	5,802.28	4,660.76
	Interest on deposits with Banks	18.19	12.21
	Loan Processing Fees	162.99	272.71
	<b>Others</b>		
	Other interest Income	21.65	58.73
	<b>Total</b>	<b>6,005.11</b>	<b>5,004.42</b>

Disaggregate revenue information: Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

24	Net gain/ (loss) on fair value changes	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
	On financial instruments designated at fair value through profit or loss	3.52	2.92
	<b>Total</b>	<b>3.52</b>	<b>2.92</b>
	-Realised	4.07	2.92
	-Unrealised	(0.55)	-

25	Other Income	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
	Profit on sale of Property, Plant & Equipment	-	0.04
	Dividend	0.11	0.11
	Bad debts recovered	37.02	16.47
	Miscellaneous Income	3.08	19.80
	<b>Total</b>	<b>40.22</b>	<b>36.42</b>

26	Finance Costs	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
	<b>On Financial liabilities measured at Amortised Cost</b>		
	Interest on borrowings	2,491.77	1,962.03
	Interest on lease liabilities	3.15	5.29
	Interest on subordinated liabilities	390.91	436.61
	Other interest expense	130.01	67.33
	<b>Total</b>	<b>3,015.85</b>	<b>2,471.26</b>

<b>27</b>	<b>Fees and Commission Expense</b>	<b>For the year ended on 31<sup>st</sup> March, 2021</b>	<b>For the year ended on 31<sup>st</sup> March, 2020</b>
	Professional Fee and consultancy	191.02	194.40
	<b>Total</b>	<b>191.02</b>	<b>194.40</b>

<b>28</b>	<b>Impairment on financial instruments</b>	<b>For the year ended on 31<sup>st</sup> March, 2021</b>	<b>For the year ended on 31<sup>st</sup> March, 2020</b>
	Bad debts written off	239.14	155.76
	Provision for Non Performing Assets (NPA) (Net of Reversals)	88.04	28.51
	Provision for Repossessed Assets and other provisions (Net of Reversals)	(25.18)	19.66
	Provisions against Standard Assets	14.42	13.88
	Provision for Impact of Covid 19 expenses	29.73	29.73
	<b>Total</b>	<b>346.15</b>	<b>247.54</b>

<b>29</b>	<b>Employee Benefits Expenses</b>	<b>For the year ended on 31<sup>st</sup> March, 2021</b>	<b>For the year ended on 31<sup>st</sup> March, 2020</b>
	Salaries and wages	880.44	902.59
	Contribution to provident and other funds	40.34	48.14
	Staff welfare expenses	15.15	18.40
	<b>Total</b>	<b>935.93</b>	<b>969.13</b>

<b>30</b>	<b>Depreciation and amortization</b>	<b>For the year ended on 31<sup>st</sup> March, 2021</b>	<b>For the year ended on 31<sup>st</sup> March, 2020</b>
	On Property, Plant & Equipment	37.80	53.40
	On Other Intangible Assets	18.51	20.35
	On Right of use assets	16.40	19.54
	<b>Total</b>	<b>72.71</b>	<b>93.29</b>

(All amount in ₹ Lakhs, except otherwise stated)

31	Other expenses	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
	Rent and energy costs	116.53	107.89
	Rates and taxes	66.45	32.52
	Repairs and maintenance		
	-Buildings	18.25	20.78
	-Vehicles	10.20	7.34
	Communication Costs	35.94	40.21
	Printing and stationery	18.48	27.22
	Advertisement, branding and promotion	1.04	4.53
	Director's Sitting Fees	1.64	1.46
	<b>Auditor's fees and expenses</b>		
	-Audit Fees	5.50	5.50
	-Tax Audit Fees	1.00	-
	-Certification	1.00	-
	Travelling & Conveyance	33.94	62.68
	Insurance	3.32	4.83
	Donation	15.00	11.54
	Miscellaneous Expenses	29.98	41.71
	<b>Total</b>	<b>358.27</b>	<b>368.20</b>

**32 Contingent Liabilities & Commitments**  
(As certified by the management)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contingent Liabilities:			
Claim against the Company not acknowledged as debts	-	-	-

**33 Segment Information**

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

**34** In the opinion of the Management, Loans and Advances and other assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

**35 Earning Per Share (EPS):**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Net Profit after tax for the year	842.94	526.43
Profit for Basic and Diluted Earning per share	842.94	526.43
<b>Weighted Average Number of Ordinary Shares</b>		
Basic (Face value of ₹10/- each)	1,22,63,866	1,22,63,866
Weighted Avg. No. of Equity Shares for Diluted EPS (Face value of ₹10/- each)	1,22,63,866	1,22,63,866
Basic EPS (₹)	6.87	4.29
Diluted EPS (₹)	6.87	4.29

### 36 Related Party Disclosures

#### A Nature of Relationship

##### I Key Management Personnel (KMP)

- a Mr. Mahaveerchand Dugar, Managing Director
- b Mr. Deepak Dugar, Joint Managing Director
- c Mr. Praveen Dugar, Executive Director and CFO
- d Mr. Chidambar Ganesan, Independent Director
- e Mr. P.S. Balasubramaniam, Independent Director
- f Mr. J. Chandrasekharan, Independent Director
- g Mr. K.S. Markandan, Independent Director
- h Mr. Abhishek Poddar, Nominee Director
- i Ms. Deepanjali Das, Company Secretary

##### II Relatives of Key Management personnel ( with whom the Company has transactions)

- a Guna Sundari Dugar
- b Purvi Dugar
- c Anjali Dugar

##### III Enterprise which holds more than 20% of Equity Share Capital of the entity

- a Banyan Tree Growth Capital II, LLC

#### B Transactions with related parties during the year

S. No.	Transaction	Key Management Personnel		Relatives of Key Management personnel		Enterprise which holds more than 20% of Equity Share Capital of the entity	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
A	Rent Paid			56.90	50.40		
B	Interest Paid	33.40	5.62	21.56	17.44		
C	Professional fees paid					62.50	125.00
D	Director's Remuneration and Sitting Fees						
	(a) Remuneration #	120	120.00				
	(b) Director Sitting Fees	1.64	1.46				
E	Loans received / Repaid back						
	(a) Loan Received during the year	118.00	84.16	22.00	39.52		
	(b) Loan repaid during the year	0.71	38.85	4.52	-		
F	Outstanding amounts as at year end						
	(a) Rent Deposit given			26.00	26.00		
	(b) Unsecured Loans taken	185.00	67.71	190.00	172.52		
	(c) Other Current Liabilities					56.25	56.25

# The above remuneration is excluding provision for Gratuity where the actuarial valuation is done on overall Company basis.

**37 As identified by the management there is no Micro, Small and Medium Enterprises as defined under Micro, Small and medium enterprises Development Act, 2006 (MSMED Act) :-**

S.No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
i)	Principal amount and Interest due thereon remaining unpaid to any supplier	-	-	-
ii)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
iii)	The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv)	The amount of interest accrued and remaining unpaid	-	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-

**38 The disclosures required under Ind AS 19 “Employee Benefits” notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below :**

**(A) Defined Contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the period the Company has made following contribution to such funds and recognized as expense in the Statement of Profit and Loss :

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2021
Company's contribution to provident fund and other funds	17.16	15.07

**(B) Defined Benefit Plan :**

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at September 30, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

(a) Reconciliation of opening and closing Balance of Defined Benefit Obligation -

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
Present value of obligation at the beginning of the year	37.40	29.63	16.05
Current service cost	14.41	13.30	12.35
Interest cost	2.37	2.17	1.18
Benefits paid	-	-	-
Remeasurements - actuarial loss/(gain) arising from:	-	-	-
Change in Demographic Assumption	-	-	-
Change in financial assumptions	-	0.86	-
Experience variance (i.e. actual experience vs assumptions)	(4.65)	(8.56)	0.05
<b>Present value of obligation at the end of year</b>	<b>49.53</b>	<b>37.40</b>	<b>29.63</b>

(b) Changes in the fair value of plan assets- NIL

(c) Expenses recognised statement of profit & loss account

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
Current service cost	14.41	13.30	12.35
Net interest (income) /Cost on the Net Defined Benefit Liability(Asset)	2.37	2.17	1.18
Defined benefit cost recognised in statement of Profit & Loss	16.78	15.47	13.53

(d) Recognized in Other Comprehensive Income

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
<b>Actuarial loss/ (gain)</b>			
Change in Demographic Assumption	-	-	-
Change in financial assumptions	-	0.86	-
Experience variance (i.e. actual experience vs assumptions)	(4.65)	(8.56)	0.05
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(4.65)</b>	<b>(7.70)</b>	<b>0.05</b>

(e) The principal actuarial assumptions used for estimating the Company's defined benefit obligations for gratuity are set out below:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
<b>Economic Assumptions</b>			
Discount Rate	6.54%	6.33%	7.34%
Expected Rate of increase in salary	10.00%	9.00%	10.00%
<b>Demographic Assumption</b>			
Retirement Age (Years)	60	60	60
Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds. The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**(f) Sensitivity analysis**

Particulars	Change in Assumptions +1.00%	Increase/ (decrease) in Gratuity Obligations March 31, 2021	Increase/ (decrease) in Gratuity Obligations March 31, 2020
Discount rate	+1.00%	40.03	34.17
	-1.00%	48.32	41.20
Salary Growth rate	+1.00%	47.94	40.88
	-1.00%	40.27	34.36

The above sensitivity analysis is based on change in an assumption while holding all other assumption constant in practice, this is unlikely to occur, and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method [projected unit credit method] has been applied as when calculating the defined benefit obligation recognized within the balance sheet.

**(g) Maturity Profile**

Particulars	March 31, 2021	March 31, 2020
Below 1 Year	1.01	1.51
1-5 Years	3.81	3.17
More than 5 Years	302.01	296.76

**(h) Description of Risk Exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

**Salary Increases** - Higher than expected increase in salary will increase the defined benefit obligation.

**Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Demographic risk** : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.



### 39 (A) Fair value of Financial assets & Financial liabilities

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020		As at 1 <sup>st</sup> April, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
<b>(i) At fair value through profit &amp; Loss</b>						
Investment in mutual funds	-	-	-	-	2,002.74	2,002.74
Investment in equity shares	2.65	2.65	3.22	3.22	3.22	3.22
<b>(ii) At amortised Cost</b>						
Cash and cash equivalents	3,538.94	3,538.94	141.68	141.68	175.42	175.42
Bank Balance other than above	1,584.04	1,584.04	195.18	195.18	106.40	106.40
Other receivables	27.29	27.29	39.60	39.60	36.56	36.56
Loans	31,923.70	31,923.70	26,467.50	26,467.50	20,140.00	20,140.00
Other Financial assets	321.42	321.42	440.18	440.18	324.49	324.49
<b>Total Financial Assets</b>	<b>37,398.05</b>	<b>37,398.05</b>	<b>27,287.37</b>	<b>27,287.37</b>	<b>22,788.83</b>	<b>22,788.83</b>
<b>Financial Liabilities</b>						
<b>(i) At Amortised Cost</b>						
Trade Payables	89.58	89.58	72.76	72.76	37.17	37.17
Borrowings (Other than Debt Securities)	21,475.29	21,475.29	18,088.45	18,088.45	14,246.89	14,246.89
Subordinated liabilities	6,955.51	6,955.51	2,980.88	2,980.88	2,973.27	2,973.27
Lease Liabilities	14.01	14.01	30.69	30.69	47.85	47.85
Other Financials Liabilities	401.51	401.51	699.94	699.94	712.68	712.68
<b>Total Financial Liabilities</b>	<b>28,935.90</b>	<b>28,935.90</b>	<b>21,872.73</b>	<b>21,872.73</b>	<b>18,017.86</b>	<b>18,017.86</b>

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

- Fair value of cash and bank, loans and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of borrowings from banks, lease liabilities, subordinated liabilities and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

### 39 (B) Fair Value hierarchy

The fair value of financial instruments as referred (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

Level 1 - Quoted prices / net assets value for identical instruments in an active market;

Level 2 - Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3 - Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**(i) Financial Assets and liabilities measured at fair value – recurring fair value measurements**

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.

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.

**Investments at fair value through profit and loss**

Particulars	Level 1	Level 2	Level 3	Total
<b>Investments - Mutual fund</b>				
As at March 31, 2021	-	-	-	-
As at March 31, 2020	-	-	-	-
As at April 01, 2019	2,002.74	-	-	2,002.74
<b>Investments - Equity Shares</b>				
As at March 31, 2021	2.65	-	-	2.65
As at March 31, 2020	3.22	-	-	3.22
As at April 01, 2019	3.22	-	-	3.22

**Valuation technique used to determine fair value**

The fair value of investments in quoted equity shares and mutual funds are based on the current bid price of respective investment as at the balance sheet date.

During the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under level 3.

**(ii) Fair value of instruments measured at amortised cost**

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**40 Financial risk management objectives and Policies**

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

The Company's Board of Directors has overall responsibility for managing the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Audit Committee of the Company reviews the development and implementation of the risk management policy of the Company on periodic basis. The Audit Committee provides guidance

on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives. The Company has exposure to the following risks arising from Financial Instruments:

<b>Risk</b>	<b>Exposure from</b>
Credit Risk	Cash and cash equivalents, loans, investments and other financial assets
Liquidity Risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities
Market Risk - Interest Rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities
Market Risk - Price	Investment in mutual funds

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

**a 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's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as on 31.3.2021. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and adequate liquidity is available.

**Cash and Cash Equivalents**

The Company holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such bank is evaluated by the management on an ongoing basis and is considered to be high.

**Loans**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the default risk of the industry and locations in which clients operate. The Company Management has established a credit policy under which each new client is analysed individually for creditworthiness through internal systems and appraisal process to assess the credit risk. The Company's review includes client's income and indebtedness levels including economic activity which ensures regular and assured income. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a three stage model approach for the purpose of computation of expected credit loss for Loan portfolio.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime expected credit loss (ECL). The assumptions underlying the ECL are monitored and reviewed on an ongoing basis. Gross carrying value and associated allowances for ECL stage wise for loan portfolio (other than repossessed assets) is as follows :

**As at March 31, 2021**

Particulars	Stage 1\$	Stage 2	Stage 3	Total
Gross carrying value	29,429.88	678.60	1,687.94	<b>31,796.42</b>
Allowance of ECL	88.34	-	210.32	<b>298.66</b>

\$ including differential provision amount between Allowance of ECL and NPA provision as per RBI prudential norms.

**As at March 31, 2020**

Particulars	Stage 1\$	Stage 2	Stage 3	Total
Gross carrying value	22,218.72	3,014.85	916.55	<b>26,150.12</b>
Allowance of ECL	96.50	0.10	69.86	<b>166.46</b>

\$ including differential provision amount between Allowance of ECL and NPA provision as per RBI prudential norms.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

**b. Liquidity Risk**

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 adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

The table below analyse the Company financial liabilities into relevant maturity grouping based on their contractual maturities.

**As at March 31, 2021**

(All amount in ₹ Lakhs, except otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Financial Liabilities</b>					
Trade Payables	89.58	-	-	-	89.58
Borrowings (other than debt securities)	12,219.83	5,109.53	3,707.29	438.63	21,475.29
Subordinated Liabilities	-	1,955.51	5,000.00	-	6,955.51
Lease Liabilities	14.01	-	-	-	14.01
Other Financial Liabilities	344.26	57.25	-	-	401.51
<b>Total</b>	<b>12,667.68</b>	<b>7,122.29</b>	<b>8,707.29</b>	<b>438.63</b>	<b>28,935.90</b>

**As at March 31, 2020**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Financial Liabilities</b>					
Trade Payables	72.76	-	-	-	72.76
Borrowings (other than debt securities)	10,689.61	2,412.43	4,746.18	240.23	18,088.45
Subordinated Liabilities	-	-	2,980.88	-	2,980.88
Lease Liabilities	30.69	-	-	-	30.69
Other Financial Liabilities	332.58	367.36	-	-	699.94
<b>Total</b>	<b>11,125.64</b>	<b>2,779.79</b>	<b>7,727.06</b>	<b>240.23</b>	<b>21,872.73</b>

**As at April 01, 2019**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Financial Liabilities</b>					
Trade Payables	37.17	-	-	-	37.17
Borrowings (other than debt securities)	8,417.10	1,343.51	4,330.88	155.40	14,246.89
Subordinated Liabilities	-	-	2,973.27	-	2,973.27
Lease Liabilities	47.85	-	-	-	47.85
Other Financial Liabilities	494.86	217.82	-	-	712.68
<b>Total</b>	<b>8,996.98</b>	<b>1,561.33</b>	<b>7,304.15</b>	<b>155.40</b>	<b>18,017.86</b>

**c Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

### (i) Interest Rate Risk

The company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow and interest rate risk. Below is the exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Liabilities</b>			
Borrowings (other than debt securities)	21,475.29	18,088.45	14,246.89
<b>Total</b>	<b>21,475.29</b>	<b>18,088.45</b>	<b>14,246.89</b>

### Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest rates - increase by 0.50% (net of tax)	(74.02)	(60.49)
Interest rates - decrease by 0.50% (net of tax)	74.02	60.49

### (ii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate change whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities and debts securities are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Investments</b>			
Maximum exposure to price risk	2.65	3.22	2,005.96
<b>Total</b>	<b>2.65</b>	<b>3.22</b>	<b>2,005.96</b>

## 41 Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, lender and market confidence and to sustain future development of the business. The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account of portfolio and strategic Investments. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings. The following table summarises the capital of the Company.

(All amount in ₹ Lakhs, except otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Subordinated Liabilities	6,955.51	2,980.88	2,973.27
Borrowings (Other than Debt Securities)	21,475.29	18,088.45	14,246.89
Less: Cash & Cash Equivalents	(3,538.94)	(141.68)	(175.42)
Less: Bank Balances other than Cash and Cash Equivalents	(1,583.20)	(192.79)	(103.91)
<b>Net Debt</b>	<b>23,308.66</b>	<b>20,734.87</b>	<b>16,940.83</b>
Equity Share Capital	1,226.39	1,226.39	1,226.39
Other Equity	6,944.35	4,101.41	3,574.98
<b>Total Capital</b>	<b>8,170.74</b>	<b>5,327.80</b>	<b>4,801.37</b>
<b>Gearing ratio</b>	<b>2.85</b>	<b>3.89</b>	<b>3.53</b>

The company monitors Capital Adequacy ratio as stipulated by RBI for NBFC-Investment and credit company -Deposit taking. The Company endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities. For CRAR details refer Note 50 (B-1)

## 42 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.

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020			As at 1 <sup>st</sup> April, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Assets</b>									
<b>1 Financial Assets</b>									
(a) Cash and cash equivalents	3,538.94		3,538.94	141.68		141.68	175.42		175.42
(b) Bank Balance other than (a) above	1,584.04		1,584.04	195.18		195.18	106.40		106.40
(c) Receivables									
(I) Trade receivables			-			-			-
(II) Other receivables	27.29		27.29	39.60		39.60	36.56		36.56
(d) Loans	15,163.28	16,760.42	31,923.70	8,959.17	17,508.33	26,467.50	9,054.68	11,085.32	20,140.00
(e) Investments	2.65	-	2.65	3.22	-	3.22	2,005.96	-	2,005.96
(f) Other Financial assets	233.14	88.28	321.42	352.73	87.45	440.18	237.19	87.30	324.49
<b>2 Non-financial Assets</b>									
(a) Deferred tax Assets (Net)		138.60	138.60		145.48	145.48		103.26	103.26
(b) Property, Plant and Equipment		76.81	76.81		105.28	105.28		136.72	136.72
(c) Right to use assets		11.91	11.91		28.31	28.31		47.85	47.85
(d) Other Intangible assets		15.81	15.81		20.84	20.84		13.95	13.95
(e) Other non-financial assets		66.26	66.26		23.25	23.25		19.55	19.55
<b>Total Assets</b>	<b>20,549.34</b>	<b>17,158.10</b>	<b>37,707.44</b>	<b>9,691.59</b>	<b>17,918.94</b>	<b>27,610.53</b>	<b>11,616.21</b>	<b>11,493.95</b>	<b>23,110.16</b>
<b>Liabilities and Equity</b>									
<b>Liabilities</b>									
<b>1 Financial Liabilities</b>									
(a) 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	89.58		89.58	72.76		72.76	37.17		37.17
Borrowings (Other than Debt Securities)	12,219.83	9,255.45	21,475.29	7,656.00	10,432.45	18,088.45	5,624.28	8,622.61	14,246.89
Subordinated Liabilities	-	6,955.51	6,955.51	1,000.00	1,980.88	2,980.88	-	2,973.27	2,973.27
Lease liabilities	5.13	8.88	14.01	16.59	14.10	30.69	17.06	30.79	47.85
Other financial liabilities	401.51		401.51	298.43	401.51	699.94	12.74	699.94	712.68
<b>Non-Financial Liabilities</b>									
Current tax liabilities (Net)	207.01		207.01	50.55		50.55	14.20		14.20
Provisions		49.53	49.53		37.40	37.40		29.63	29.63
Other non-financial liabilities	38.48	305.78	344.26	44.04	278.00	322.04	33.34	213.75	247.09
<b>Total Liabilities</b>	<b>12,961.54</b>	<b>16,575.16</b>	<b>29,536.70</b>	<b>9,138.37</b>	<b>13,144.36</b>	<b>22,282.72</b>	<b>5,738.80</b>	<b>12,569.99</b>	<b>18,308.79</b>
<b>Net Assets</b>	<b>7,587.80</b>	<b>582.94</b>	<b>8,170.74</b>	<b>553.22</b>	<b>4,774.58</b>	<b>5,327.81</b>	<b>5,877.41</b>	<b>(1,076.04)</b>	<b>4,801.37</b>



#### 43 COVID-19

The COVID-19 pandemic including second wave spread across India had created an unprecedented level of disruption in economic activities. This has resulted into slower growth in new business acquisition. The impact of COVID-19 on the Company's business disbursements and the asset quality would depend on the time taken for economic activities to resume to normal levels, which remains uncertain. The Company is continuously monitoring any material changes in future economic conditions. RBI announced the COVID-19 Regulatory Package following which the Company has extended the option of moratorium for instalments falling due between March 01, 2020 and August 31, 2020 to all eligible customers who approached the Company. Further, in line with RBI Notification dated 17th April 2020, the Company has provided COVID-19 provision of Rs. 59.47 Lakhs as on 31st March, 2021 (including Rs. 29.73 Lakhs during the current year) in respect of all moratorium accounts, where asset classification benefit was extended. The Company maintains adequate COVID provisions as per the Regulatory norms.

Disclosure on Moratorium - COVID-19 regulatory package - Asset classification and provisioning in pursuant to the notification vide DOR.NO.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

Particulars	Amount (Rs.in Lacs)
(i) Amount due in respect of overdue contracts	17,653.96
(ii) Amount due as on 31st March 2021 on contracts where assets classification benefits was extended	232.61
(iii) provision held against (ii) above, as on 31st March 2021	59.47

#### 44 Reconciliation of Tax Expenses

##### (A) Amounts recognized in Statement of Profit and Loss

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
<b>Current tax</b>		
Current year	280.00	223.40
Deferred Tax expense/(Income)	9.44	(44.15)
<b>Income tax expense reported in the statement of profit &amp; loss</b>	<b>289.44</b>	<b>179.25</b>

##### (B) Income Tax recognised in other comprehensive Income

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Income tax relating to items that will not be reclassified to profit or loss	(1.17)	(1.94)

##### (C) Reconciliation of effective tax

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Accounting profit/(loss) before income tax	1,128.90	699.92
At Statutory Income Tax Rate @ 25.168%	284.12	176.16
Expenses not deductible under income tax	3.78	22.11
Others	0.37	(20.95)
<b>Total tax expenses</b>	<b>288.27</b>	<b>177.31</b>

## 45 Explanation to transition to Ind AS

As stated in Note 2(i), these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31<sup>st</sup> March 2020, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31<sup>st</sup> March 2021 including the comparative information for the year ended 31<sup>st</sup> March 2020 and the opening Ind AS balance sheet on the date of transition i.e. 1<sup>st</sup> April 2019.

In preparing the Ind AS balance sheet as at 1<sup>st</sup> April 2019 and in presenting the comparative information for the year ended 31<sup>st</sup> March 2020, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

### I. Ind AS Optional Exemptions:

#### (i) Property, plant and equipment, Investment Property & Intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its Property, Plant and Equipment, Intangible Assets and Investment Property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has opted to measure all of its Property, Plant and Equipment, Investment Property and Intangible Assets at their previous GAAP carrying value.

#### (ii) Designation of Previously recognised Financial Instruments

Ind-AS 101 permits an entity to designate particular equity investment ( Other than equity investment in subsidiaries, joint ventures and associates ) as at fair value through Profit and Loss (FVTPL) based on facts and circumstances as at the date of transition to Ind AS ( rather than at initial recognition). The Company has availed this exemption to designate certain equity investment as FVTPL on the date of transition.

### II. Ind AS Mandatory Exceptions

#### (i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS, where application of Ind AS require an entity to make certain estimates that were not required under previous GAAP, those estimates should reflect condition that existed at the date of transition( for preparing opening Ind AS balance sheet or at the end of the comparative period (for presenting comparative information as per Ind-AS).

Ind AS estimates as at April 01, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model , fair valuation of financial instruments carried at FVTPL and FVOCI in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

#### (ii) Classification and measurement of financial assets and financial liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**A Other Equity Reconciliation**

(All amount in ₹ Lakhs, except otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
Other Equity under previous GAAP	4,327.69	3,742.81
<b>Adjustments on account of :</b>		
Investments recognized at fair value	3.17	5.91
Remeasurement of Defined Benefit Obligations as per Ind AS-19	(23.43)	(16.43)
Financial Liabilities at amortised cost	(278.00)	(213.75)
Impact of Ind AS-116 - Leases	(2.38)	-
Deferred Tax on above adjustments	74.37	56.44
<b>Other Equity as per Ind-AS</b>	<b>4,101.41</b>	<b>3,574.98</b>

**B. Reconciliation of Profit & Loss for the year ended 31<sup>st</sup> March 2020**

Particulars	I-GAAP For the year ended on 31 <sup>st</sup> March, 2020	Re- measurement	Ind-AS For the year ended on 31 <sup>st</sup> March, 2020
<b>Revenue from operations</b>			
(i) Interest Income	5,068.67	(64.26)	5,004.42
(ii) Net gain on fair value changes	5.66	(2.74)	2.92
<b>(I) Total Revenue from operations</b>	<b>5,074.33</b>	<b>(67.00)</b>	<b>5,007.33</b>
(II) Other Income	36.42	-	36.42
<b>(III) Total Income (I+II)</b>	<b>5,110.75</b>	<b>(67.00)</b>	<b>5,043.75</b>
<b>Expenses</b>			
(i) Finance Costs	2,465.97	5.29	2,471.26
(ii) Fees and commission expense	194.40	-	194.40
(v) Impairment on financial instruments	247.54	-	247.54
(ii) Employee Benefits Expenses	954.43	14.70	969.13
(iii) Depreciation and amortization	73.75	19.54	93.29
(iv) Others expenses	390.66	(22.45)	368.20
<b>(IV ) Total Expenses (IV)</b>	<b>4,326.75</b>	<b>17.08</b>	<b>4,343.83</b>
<b>(V) Profit/(loss) before tax (III -IV)</b>	<b>784.00</b>	<b>(84.08)</b>	<b>699.92</b>
<b>(VI) Tax Expense:</b>			
Current Tax	223.40	-	223.40
Deferred Tax	(24.28)	(19.87)	(44.15)
<b>(VII) Profit/(loss) for the period (V-VI)</b>	<b>584.88</b>	<b>(64.21)</b>	<b>520.67</b>
<b>(VIII) Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss Gain/(loss) on remeasurements of the defined benefit obligation	-	7.70	7.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(1.94)	(1.94)
<b>Subtotal (A)</b>	<b>-</b>	<b>5.76</b>	<b>5.76</b>
(B) (i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>	<b>-</b>	<b>5.76</b>	<b>5.76</b>
<b>(IX) Total Comprehensive Income for the period (VII+VIII)</b>	<b>584.88</b>	<b>(58.44)</b>	<b>526.43</b>

**C. Reconciliation of Balance Sheet**

(All amount in ₹ Lakhs, except otherwise stated)

Particulars	I-GAAP* as at 31 <sup>st</sup> March, 2020	Re- measurement	Ind As as at 31 <sup>st</sup> March, 2020	I-GAAP* as at 1 <sup>st</sup> April, 2019	Re- measurement	Ind As as at 1 <sup>st</sup> April, 2019
<b>ASSETS</b>						
<b>1 Financial Assets</b>						
(a) Cash and cash equivalents	141.68		141.68	175.42		175.42
(b) Bank Balance other than (a) above	195.18		195.18	106.40		106.40
(c) Receivables						
(I) Trade receivables	-		-	-		-
(II) Other receivables	39.60		39.60	36.56		36.56
(d) Loans	26,467.50		26,467.50	20,140.00		20,140.00
(e) Investments	0.05	3.17	3.22	2,000.05	5.91	2,005.96
(f) Other Financial assets	440.18		440.18	324.49		324.49
<b>Total Financial Assets</b>	<b>27,284.20</b>	<b>3.17</b>	<b>27,287.37</b>	<b>22,782.92</b>	<b>5.91</b>	<b>22,788.83</b>
<b>2 Non-financial Assets</b>						
(a) Deferred tax Assets (Net)	71.11	74.37	145.48	46.82	56.44	103.26
(b) Property, Plant and Equipment	105.28		105.28	136.72		136.72
(c) Right to use assets	-	28.31	28.31	-	47.85	47.85
(d) Other Intangible assets	20.84		20.84	13.95		13.95
(e) Other non-financial assets	23.25		23.25	19.55		19.55
<b>Total Financial Assets</b>	<b>220.49</b>	<b>102.68</b>	<b>323.16</b>	<b>217.04</b>	<b>104.29</b>	<b>321.33</b>
<b>Total Assets</b>	<b>27,504.69</b>	<b>105.85</b>	<b>27,610.53</b>	<b>22,999.96</b>	<b>110.20</b>	<b>23,110.16</b>
<b>Liabilities and Equity</b>						
<b>Liabilities</b>						
<b>1 Financial Liabilities</b>						
(a) 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	72.76		72.76	37.17		37.17
(b) Borrowings (Other than Debt Securities)	18,088.45		18,088.45	14,246.89		14,246.89
(c) Subordinated Liabilities	2,980.88		2,980.88	2,973.27		2,973.27
(d) Lease liabilities	-	30.69	30.69	-	47.85	47.85
(e) Other financial liabilities	699.94		699.94	712.68		712.68
<b>Total Financial Liabilities</b>	<b>21,842.04</b>	<b>30.69</b>	<b>21,872.73</b>	<b>17,970.01</b>	<b>47.85</b>	<b>18,017.86</b>
<b>2 Non-Financial Liabilities</b>						
(a) Current tax liabilities (Net)	50.55		50.55	14.20		14.20
(b) Provisions	13.98	23.43	37.40	13.20	16.43	29.63
(c) Other non-financial liabilities	44.04	278.00	322.04	33.34	213.75	247.09
<b>Total Non-Financial Liabilities</b>	<b>108.57</b>	<b>301.43</b>	<b>410.00</b>	<b>60.74</b>	<b>230.18</b>	<b>290.92</b>
<b>3 Equity</b>						
(a) Equity Share capital	1,226.39		1,226.39	1,226.39		1,226.39
(b) Other Equity	4,327.69	(226.28)	4,101.41	3,742.82	(167.83)	3,574.98
<b>Total Equity</b>	<b>5,554.08</b>	<b>(226.28)</b>	<b>5,327.80</b>	<b>4,969.21</b>	<b>(167.83)</b>	<b>4,801.37</b>
<b>Total Liabilities and Equity</b>	<b>27,504.69</b>	<b>105.84</b>	<b>27,610.53</b>	<b>22,999.96</b>	<b>110.20</b>	<b>23,110.16</b>

\*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**D. Footnotes to the reconciliation of balance sheet and statement of Profit & Loss previously reported under IGAAP to Ind AS**

**(i) Loans**

Under previous GAAP, all the service fee and facilitation charges received against sourcing of loans were recognised to statement of profit and loss. Under Ind AS, such service fee and facilitation charges received are adjusted from the carrying amount of loans on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of such loans as part of the interest income by applying the effective interest rate method.

**(ii) Fair value of investments through profit and loss (FVTPL)**

Under the previous GAAP, investments in mutual funds and equity shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020.

**(iii) Borrowings (including subordinated liabilities)**

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

**(iv) Impairment of loans**

Under previous GAAP, the Company had created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined on expected credit loss ('ECL') model.

**(v) Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

**(vi) Deferred Tax**

The Company accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed.

**(vii) Other Equity**

Adjustment to other equity has been made in accordance with Ind AS, for above mentioned adjustments.

**(viii) Statement of Cash Flows**

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet and Statement of Profit & Loss.

**(ix) Other comprehensive income (OCI)**

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income'. The concept of other comprehensive income did not exist under previous GAAP.

**46 Lease (Transition to Ind AS 116)**

The Company has adopted Ind AS 116 “Lease”, effective annual reporting period beginning April 1, 2019 and using modified retrospective approach. The Company has taken office premises on lease for its operations. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options. The Company also has certain lease agreements with lease term of 12 months or less. The Company applies the short-term lease’ recognition exemptions for these leases.

Lease liabilities are recognised at weighted average incremental borrowing rate of 14%. Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the period:

**Other disclosures****(i) Movement in the carrying value of the Right of Use asset**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Opening Balance	28.31	47.85
Depreciation charge for the period	(16.40)	(19.54)
Additions during the period	-	-
Adjustment/Deletion	-	-
<b>Closing Balance</b>	<b>11.91</b>	<b>28.31</b>

**(ii) Movement in the carrying value of the lease liabilities**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Opening Balance	30.69	47.85
Interest expense	3.15	5.29
Lease payments	(19.84)	(22.45)
Additions during the year	-	-
Adjustment/Deletion	-	-
<b>Closing Balance</b>	<b>14.01</b>	<b>30.69</b>

**(iii) Classification of current and non current liabilities of the lease liabilities**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Current liabilities	5.13	16.59
Non-current liabilities	8.88	14.11

**(iv) Contractual maturities of lease liabilities outstanding**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Less than one year	14.73	19.84
One to five years	11.82	16.63
More than five years	-	-

(v) **The following are the amount recognised in the Statement of Profit and Loss**

Particulars	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> March, 2020
Depreciation expense on right of use assets	16.40	19.54
Interest expense on lease liabilities	3.15	5.29
Expense related to short term leases	108.83	98.72
<b>Total amount recognized in the Statement of Profit and Loss</b>	<b>128.38</b>	<b>123.56</b>

Practical expedients applied on initial application date i.e. 01 April, 2019

- (i) The Company has not reassessed whether a contract, is or contains a lease at the date of initial application
- (ii) the Company has utilised exemption provided for short term leases and leases for which the underlying asset is of low value on a lease-by-lease basis.
- (iii) Initial direct costs are excluded from measuring the right-of-use asset at the date of initial application.
- (iv) The Company used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- (v) The Company has relied on it's assessment of whether leases are onerous.
- (vi) The weighted average of company's incremental borrowing rate applied to lease liabilities at date of initial application i.e. 01 April, 2019.

**47 Transfer of Financial Assets**

**47.1 Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

**A) Securitisation**

The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Carrying amount of transferred assets measured at amortised cost	420.34	1,528.83
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	371.77	449.91
Fair value of assets	1,413.08	2,614.89
Fair value of associated liabilities	371.77	449.91
Net position at Fair value	992.74	1,086.06

**B) Direct Bilateral assignment**

The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

(All amount in ₹ Lakhs, except otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Carrying amount of de-recognised financial asset	861.43	1,423.52
Carrying amount of Retained Assets at amortised cost	152.02	251.21
Gain on sale of the de-recognised financial asset recognized	197.49	28.78

#### 47.2 Transferred financial assets that are derecognised in their entirety but where the company has continuing involvement

The company has not transferred any assets that are derecognised in their entirety where the company continues to have continuing involvement.

#### 48 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 [as certified by the management]

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is as follows:

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	29,128.94	74.31	29,054.63	74.31	0.00
	Stage 2	625.09		625.09		
<b>Subtotal</b>		<b>29,754.03</b>	<b>74.31</b>	<b>29,679.72</b>	<b>74.31</b>	
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	1,360.70	164.88	1,195.82	164.88	-
Doubtful - upto 1 year	Stage 3					
1 to 3 years	Stage 3					
more than 3 years	Stage 3					
<b>Subtotal for doubtful</b>						
Loss	Stage 3					
<b>Subtotal for NPA</b>		<b>1,360.70</b>	<b>164.88</b>	<b>1,195.82</b>	<b>164.88</b>	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	Stage 1	29,128.94	74.31	29,054.63	74.31	-
	Stage 2	625.09	-	625.09		
	Stage 3	1,360.70	164.88	1,195.82	164.88	
<b>Total</b>	<b>Total</b>	<b>31,114.73</b>	<b>239.19</b>	<b>30,875.54</b>	<b>239.19</b>	



#### 49 Corporate Social responsibility

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule III are as below :

	2020-21 Rs. in Lacs	2019-20 Rs. in Lacs
Gross Amount required to be Spent during the year	13.94	11.54
Actual Amount Spent during the year for eligible activities	15.00	11.54

#### 50 Additional disclosures pursuant to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

#### A As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007), the disclosures are given below

Particulars		(Rs.in lakhs)			
LIABILITIES SIDE :		Current Year		Previous Year	
1	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(a) Debentures:				
	i) Secured	6,000.00	-	2,000.00	-
	ii) Unsecured	1,000.00	-	1,000.00	-
	(Other than falling within the Meaning of public deposits)				
	(b) Deferred Credits				
	(c) Term Loans	18,281.30	-	14,890.44	-
	(d) Inter-Corporate loans and borrowing				
	(e) Commercial Paper				
	(f) Public Deposits				
	(g) Other Loans				
	Other Bank Borrowings	2,580.50	-	2,635.43	-
	Loans from Directors	375.00	-	240.23	-
2	Break-up of (I)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured Debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures. Where there is a shortfall, in the value of security	-	-	-	-
	(c) Other Public Deposits	-	-	-	-
ASSETS SIDE:					
3	Break-up of Loans and Advances including bills receivables (other than those include in (4) below):				
	(a) Secured	559.43	-	970.25	-
	(b) Unsecured	122.27	-	174.43	-

(All amount in ₹ Lakhs, except otherwise stated)

Particulars		(Rs.in lakhs)			
ASSETS SIDE:		Current Year		Previous Year	
4	Break-up of Leased Assets and Stock-on-hire and Hypothecation loans counting towards EL/HP activities:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(i) Lease assets including lease rentals Under sundry debtors:				
	(a) Financial Lease	-	-		
	(b) Operating Lease	-	-		
	(ii) Stock on Hire including hire charges Under sundry debtors:				
	(a) Assets on Hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
	(iii) Hypothecation loans counting towards EL/HP activities				
	(a) Loans where assets have been Repossessed	467.37	327.25	550.46	444.18
	(b) Loans other than (a) above	31,114.73	1,360.70	25,005.45	660.60
5	Break-up of Investments:				
	Long Term Investments:				
	1. Quoted:				
	(i) Equity Shares	2.65	-	3.22	-
	(ii) Debentures	-	-	-	-
	(iii) Units of Mutual funds	-	-	-	-
	2. UnQuoted:				
	(i) Equity Shares	-	-	-	-
	(ii) Government Securities	-	-	-	-
6	Borrower group-wise classification of all leased assets. Stock-on-Hire and loans and advances :				
	Category	Current Year		Previous Year	
		Secured	Unsecured	Secured	Unsecured
	1. Related Parties				
	(a) Subsidiaries	-	-		-
	(b) Companies in the same group	-	-		-
	(c) Other related parties	-	-		-
	2. Other than related parties	32,263.79	1,687.95	26,700.59	1,104.78
	Total	32,263.79	1,687.95	26,700.59	1,104.78
	Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
7	Category	Current Year		Previous Year	
		Market value / Break-up or fair value or NAV	Book value (net of provisions)	Market value / Break-up or fair value or NAV	Book value (net of provisions)
	1. Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	2.65	0.04	3.22	0.05
	Total	2.65	0.04	3.22	0.05

(All amount in ₹ Lakhs, except otherwise stated)

**50 Additional disclosures pursuant to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (Contd..)**

<b>ASSETS SIDE:</b>			
<b>8</b>	<b>Other Information :</b>		<b>(Rs.in lakhs)</b>
	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>(i) Gross Non-performing Assets</b>		
	(a) Related parties	-	-
	(b) Other than related parties	1,360.70	660.60
	<b>(ii) Net Non-performing Assets</b>		
	(a) Related parties	-	-
	(b) Other than related parties	1,195.82	583.76
	<b>(iii) Assets acquired in satisfaction of debt</b>	-	-

**9 Asset liability management**

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
<b>Assets</b>									
Advances @ Investments	1,754.43	1,250.55	1,249.22	3,713.31	7,195.77	16,324.31	432.41	3.70	<b>31,923.70</b>
<b>Liabilities</b>									
Borrowings	1,036.66	888.99	847.24	2,559.23	6,887.72	15,772.33	63.63	375.00	<b>28,430.80</b>
Net Amount	717.77	361.57	401.97	1,154.08	308.05	551.98	368.78	(371.30)	<b>3,492.90</b>

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
<b>Assets</b>									
Advances @ Investments	271.65	1,991.56	998.15	3,514.13	6,861.68	12,292.41	363.49	174.43	<b>26,467.51</b>
<b>Liabilities</b>									
Borrowings	128.00	746.07	373.93	2,406.00	4,002.00	12,767.49	405.62	240.23	<b>21,069.34</b>
Net Amount	143.65	1,245.48	624.23	1,108.13	2,859.68	(475.08)	(42.13)	(65.80)	<b>5,398.17</b>

@ includes interest accrued on loans &amp; advances

**50 Additional disclosures pursuant to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (Contd..)**

(Amount in ₹ Lakhs)

**10**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Movement of non-performing assets</b>		
Net NPA to net Advances (%)		
Movement of non-performing assets (Gross)	-	-
(a) Opening balance	660.60	490.96
(b) Change during the year #	700.10	169.64
(c) Closing balance	1,360.70	660.60
Movement of net non-performing assets		
(a) Opening balance	583.76	442.63
(b) Change during the year #	612.06	141.13
(c) Closing balance	1,195.82	583.76
Movement of provisions for non-performing assets (excluding provisions on standard assets)		
(a) Opening balance	76.84	48.33
(b) Change during the year #	88.04	28.51
(c) Closing balance	164.88	76.84
# Change during the year includes addition, write-offs and recoveries.		

**11 Exposure**

**(a) Exposure to real estate sector**

The company does not have any exposure to real estate market in the current and previous year.

**(b) Exposure to capital market**

The company does not have any exposure to capital market in the current and previous year.

Particulars	As at March 31, 2021	As at March 31, 2020
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;	-	-
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;	-	-
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;	-	-
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;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
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;	-	-
Bridge loans to companies against expected equity flows / issues;	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-

**(c) Details of financing of parent company products**

The Company does not have a parent company and accordingly no disclosure required.

**(d) Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the applicable NBFC**

The Company does not exceed any limit related to SGL and GBL in the current and previous year.

**(e) Unsecured advances**

Particulars	As at March 31, 2021	As at March 31, 2020
	-	-

12

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Asset Classification</b>		
(a) Standard Assets	29,754.03	24,344.85
(b) Sub Standard Assets	1,360.70	660.60
(c) Doubtful	-	-
(d) Loss Assets	-	-

**13 Disclosure of customer complaints**

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	-	-
c) No. of complaints redressed during the year	-	-
d) No. of complaints pending at the end of the year	-	-

**14 Information on instances of fraud identified during the year \$\$**

Cash embezzlement and snatching		
No. of cases	-	-
Amount of fraud / Recovery / Amount provided for	-	-
Loans given against fictitious documents		
No. of cases	-	-
Amount of fraud / Recovery / Amount provided for	-	-
\$\$ as identified by the management		

**B. Additional disclosures pursuant to the RBI guidelines and notification:**

**1. Capital**

Items	As at March 31, 2021	As at March 31, 2020
Capital to risk / weighted assets ratio (CRAR) (%)	25.34%	19.59%
CRAR-Tier I capital (%)	18.65%	18.72%
CRAR-Tier II capital (%)	6.69%	0.87%
Amount of Subordinate debt raised as Tier-II capital	7,000.00	3,000.00
Amount raised by issue of perpetual debt instruments	-	-

Items	As at March 31, 2021	As at March 31, 2020
<b>2. Investments</b>		
<b>A) Investment according to geographical location</b>		
<b>i) Gross value of investments</b>		
(a) In india	2.65	3.22
(a) Outside india	-	-
<b>ii) Provision for depreciation</b>		
(a) In india	-	-
(b) Outside india	-	-
<b>iii) Net value of Investments</b>		
(a) In india	2.65	3.22
(a) Outside india	-	-
<b>B) Movement of provisions held towards depreciation on investments</b>		
i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off/ write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

### 3 Derivatives

The Company does not have any derivatives exposure in the current and previous year

### 4 Miscellaneous

#### A) Registration obtained from other financial sector regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- (i) Ministry of Corporate Affairs

#### B) Disclosures of penalties imposed by RBI and other regulators

No penalties imposed by RBI or other financial sector regulators during the current and previous year.

#### C) Related party transactions

Details of all material related party transactions are disclosed in note 36 to the financial statements

#### D) Ratings assigned by credit rating agencies and migration of ratings during the year

The ratings assigned to the Company is summarised below :

Category	Over all limit (Rs. In Crore)	Rating	Agency
Cash Credit	30	BBB-; Stable	CRISIL
Bank Term Loans	75	BBB-; Stable	CARE
NCDs	120	BBB-; Stable	CARE

#### E) Remuneration of directors

Details relating to remuneration of directors are disclosed in note 36 to the financial statements

## 5 Additional Disclosures

### A) Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in statement of Profit and Loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provisions for depreciation on investment	-	-
Provision made towards income tax	280.00	223.40
Other provision and contingencies (employee benefits)	49.53	37.40

### B) Draw down from reserves

There have been no instances of draw down from reserves by the company during the current and previous year.

### C) Concentration of advances, exposures and NPAs

(to the extent identified by the management)

#### a. Concentration of advances

Total advances to twenty largest borrowers	653.01	552.63
Percentage of exposure to twenty largest borrowers as total exposure	2.07%	2.12%

#### b. Concentration of exposure

Total exposure to twenty largest borrowers	24,156.27	20,407.02
Percentage of exposure to twenty largest borrowers as total exposure	84.97%	96.86%

#### c. Concentration of non-performing assets

Total Exposure to top four non-performing accounts	114.91	28.39
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## 51 Figures for the Previous year have been regrouped / rearranged, wherever necessary.

As per our report of even date attached

**For Singhi & Co.,**  
Chartered Accountants  
Firm Regn No. 302049E

**Sudesh Choraria**  
Partner  
Membership No.204936

Place : Chennai  
Date : June 29, 2021

**Chidambar**  
Chairman  
DIN: 00017015

**M Praveen Dugar**  
Executive Director  
DIN: 00190780

For and on behalf of Board of Directors

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628

**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705

**Deepanjali Das**  
Company Secretary  
M.No.: A47410