



# LAXMI INDIA FINLEASECAP PRIVATE LIMITED

Ref No.: LIFC/BSE/2021-22/56

Date: December 28, 2021

To,  
The Manager  
Department of Corporate Services,  
BSE Limited, 25<sup>th</sup> Floor,  
P J Towers, Dalal Street,  
Fort, Mumbai – 400 001 (Maharashtra)

ISIN: INE06WU07015      Scrip Code: 959758  
ISIN: INE06WU07023      Scrip Code: 960008  
ISIN: INE06WU07031      Scrip Code: 960276

**Sub.: Pursuant regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).**

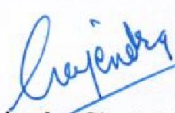
Dear Sir/Ma'am,

This is to inform you that pursuant to the provisions of **Regulation 53** of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find the enclosed Annual report.

We request you to kindly take on record the aforesaid information.

Thanking You,

For Laxmi India Finleasecap Private Limited

  
Gajendra Singh Shekhawat  
Company Secretary & Compliance Officer  
M. No.: A47095



Registered & Corporate Office: 2, DFL, Gopinath Marg, M. I. Road, Jaipur-302 001, Rajasthan India



0141-4031166, 4033635



info@lifc.in



www.lifc.co.in



CIN: U65929RJ1996PTC073074



LAXMI INDIA FINLEASECAP  
PRIVATE LIMITED

# ANNUAL REPORT

2020-2021

"Sapne dekho, Bade Dekho,  
Hamare saath unhe Pura hote dekho"



**MSME  
Loan**



**Vehicle  
Loan**



**Mortgage  
Loan**



**Business  
Loan**



**Personal  
Loan**



**Two  
Wheeler  
Loan**



**Tractor  
Loan**



**Residential  
Construction  
Loan**



**Commercial  
Vehicle Loan**



“SAPNE DEKHO  
**BADE DEKHO,**  
HAMARE SATH UNHE  
**PURA HOTE DEKHO”**



**Laxmi India Finleasecap Private Limited**

CIN: U65929RJ1996PTC073074

Registered office: 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

Tel. No.: 0141-4031166 • Website: [www.lifc.co.in](http://www.lifc.co.in) • Email Id: [info@lifc.in](mailto:info@lifc.in)

**NOTICE OF 24<sup>th</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of the **Laxmi India Finleasecap Private Limited** will be held at its registered office of the company situated at **2, DFL Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan** on **29th December, 2021 at 11.00 A.M.** to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement of the company for the period ended on 31st March, 2021 together with the Report of Board of Directors and Auditors thereon.

**Special Business:**

2. **To approve the re-appointment of Mr. Surendra Mehta (DIN: 00298751) as an Independent Director of the Company for a second term of five consecutive years and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 of the Companies Act, 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Surendra Mehta (DIN: 00298751), who holds office of Independent Director up to 30<sup>th</sup> December, 2021 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and a declaration that he is in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 be and is hereby re-appointed effective from 31<sup>st</sup> December, 2021 for a second term of five consecutive years (which expression shall include continuation of his said term as Independent Director of the Company beyond the age of seventy five (75) years).”

3. **Approval for Regularization of Mr. Anil Balkrishna Patwardhan (DIN: 09441268) as Non-Executive Independent Director on the Board of the Company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder read with Schedule IV of the Act, read-with Articles of Associations of the Company (including any statutory modification(s) or re-enactment thereof) and other applicable law, if any, Mr. Anil Balkrishna Patwardhan (DIN-09441268), who was appointed as an Additional Director (Category as Independent) by the Board of Directors of Company, be and is hereby appointed as director on the Board of Directors of the Company.

**RESOLVED FURTHER THAT** in compliance of provision of section 149 of the Act, and any other applicable provisions, if any, Mr. Anil Balkrishna Patwardhan (DIN-09441268), who has submitted a declaration that he meets the criteria for independence as provided under said provisions and who is eligible for appointment, shall be treated as Independent Director of the company on following terms and conditions:

- a) He shall hold office as an Independent Director for a term of three consecutive years on the Board of a company commencing from 23rd day of December, 2021 and shall be eligible for reappointment subject to provisions of the Act.
- b) He shall not be liable to retire by rotation.



**4. Approval for Increasing the Authorised Share Capital of the Company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and reenactment(s) thereof for the time being in force) and the rules framed there under, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the existing Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) consisting of 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.20,00,00,000/- (Rupees Twenty Crores only) consisting of 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten) each by creation of additional capital of Rs. 5,00,00,000 (Rupees Five Crore only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company and consequently, the Memorandum of Association of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

“V. The Authorised Share Capital of the Company shall be Rs. 20,00,00,000/-(Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs.10/- (Rupee Ten) each with the right, privileges and conditions attached thereto as are provided by the regulation of the company for the time being, with the power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company. The rights of the preference shall be determined at the time of issue thereof.”

“**FURTHER RESOLVED THAT** any director or company secretary of the Company be and is hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution.”

**5. Approval of continuation of Mrs. Prem Devi Baid (DIN: 00774922) as Non-Executive Director of the company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 152 of the Companies Act, 2013 and any other applicable provisions thereof and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedules of the Companies Act, 2013 (to the extent applicable on Private Company) and Articles of Association of the Company, consent of Members of the Company be and is hereby accorded for continuation of Mrs. Prem Devi Baid (DIN: 00774922) in the capacity as Non- Executive Director of the Company on the Board of Directors as per her request, on existing remuneration.”

**RESOLVED FURTHER THAT** Mr. Deepak Baid (DIN-03373264), Director of the company be and are hereby authorized, to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

**By Order of the Board of Director  
For Laxmi India Finleaseap Private Limited**

SD/-  
**Gajendra Singh Shekhawat  
Company Secretary and Compliance Officer**

**DATE: December 28, 2021  
PLACE: Jaipur**



**NOTES:**

1. A member entitled to attend and vote at the 24<sup>th</sup> Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. A proxy may be sent by submitting form no. MGT-11 enclosed and in order to be effective, it must reach the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A person can act as proxy for maximum 50 members and aggregate holding of such members shall not be more than 10% of total share capital of the company having voting rights.
4. The meeting is being called at a shorter Notice than the statutory requirement of minimum 21 clear days’ notice to the members. Pursuant to the provision of Section 101 of the Companies Act 2013, General Meeting may be called after giving notice for period shorter than 21 days if at least 95% of the members entitled to vote in the meeting agree to the shorter notice.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of Notice.
6. Body corporate can be represented at the meeting by such person(s) as are authorised. The scan copy/physical copy of relevant Board Resolution/ Authority letter etc. as required under section 113 of the Companies Act, 2013, authorizing such person(s) to attend the meeting should be sent to the Company Secretary at [cs@life.in](mailto:cs@life.in), prior to the meeting or can be submitted at the time of meeting.
7. Members / Proxy are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the Meeting.
10. A copy of audited financial statements of the company for the year ended on 31st march 2021 together with the board’s report and auditor’s report thereon is enclosed herewith.
11. The register of directors and key managerial personnel (KMP) and their shareholding and register of contracts or arrangements in which director are interested, maintained under section 170 and 189 of the Companies act, 2013 respectively will be available for inspection by the members at AGM.
12. Members seeking any information with regard to the accounts are requested to write to the company at least 7 days in advance, so as to enable the management to keep the information ready at the meeting.



13. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.

14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's registered office.

15. The company has taken all the preventive/precautionary measures while making arrangement for this annual general meeting to ensure the safety of all its shareholders, employees and other stakeholders participating in the annual general meeting in accordance with the guidelines on preventive measures to contain spread of covid-19 issued by ministry of health and family welfare, government of India.

16. Kindly note the following precautions to be undertaken while attending the AGM in person due to the outbreak of pandemic covid-19:

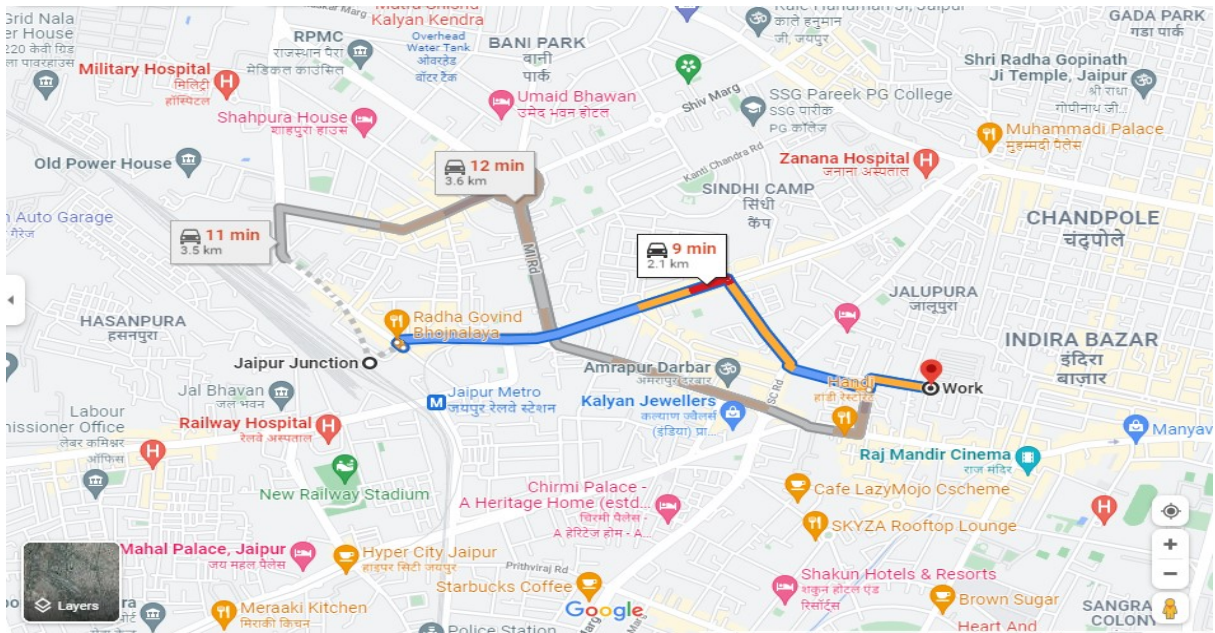
- a. Members are requested to wear mask at the entry and at all time during the meeting;
- b. Members are requested to follow the disinfectant process and make themselves subject to temperature check available at the venue of the meeting before entering into the office premises and to sanitize their hands frequently throughout the meeting;
- c. Members are requested to maintain physical distance of at least 6 feet (about 2 arm's length);
- d. Members are requested to cover their mouth and nose with a disposable tissue while coughing or sneezing and use the nearest waste receptacle to dispose of the tissue after use.
- e. Note: Any member displaying symptoms of illness or being part of a risk group is specifically requested not to attend the AGM.

17. The complete particulars of the venue of the meeting including route map and prominent land mark for easy location are as given under:

Venue of the meeting: 2, DFL Gopinath Marg M.I. Road Jaipur Rajasthan 302001

Route Map: The Red Balloon Mark indicate the venue of AGM





**By Order of the Board of Director  
For Laxmi India Finlease Private Limited**

**SD/-  
Gajendra Singh Shekhawat  
Company Secretary and Compliance Officer**

**DATE: December 28, 2021  
PLACE: Jaipur**



**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

**Item No. 2**

Mr. Surendra Mehta, (DIN: 00298751) was appointed as a Non-Executive Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, in General Meeting held on 31 December 2016 to hold office for a period of Five Years commencing from 31 December 2016 upto 31 December 2021.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of Company, but shall be eligible for re-appointment on passing of Special Resolution by the Company for another term of upto five consecutive years on the Board of Company.

Based on the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Surendra Mehta (DIN: 00298751), being eligible for re-appointment as an Independent Director, is proposed for re-appointment as an Independent Director, for second term of five consecutive years effective from 31<sup>st</sup> December, 2021

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, and a declaration that he is in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014. He has also given his consent to continue as Director of the Company, if so appointed by the members.

The Board of Directors took into account the performance evaluation of the Independent Director, during his first term of five years and considering the knowledge, acumen, expertise and experience in his respective field and the substantial contribution made by the Director during his tenure as an Independent Director since his appointment. In the opinion of the Board, Mr. Surendra Mehta (DIN: 00298751), fulfils the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

A copy of draft letter of appointment as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the AGM.

The brief resume of Mr. Surendra Mehta (DIN: 00298751), nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board etc. as required under Secretarial Standard on General Meeting (SS-2) is set out in this Notice at Annexure A.

Except Mr. Surendra Mehta (DIN: 00298751), and his relatives none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board of Directors recommends the said resolution as set out in Item, No. 2 as Special Resolution.

**Item No-3**

Mr. Anil Balkrishna Patwardhan (DIN: 09441268) was appointed as an Additional Independent Director with effect from December 23, 2021, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Accordingly, he shall hold office up to the date of ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Anil Balkrishna Patwardhan (DIN: 09441268) on the Board of the Company further as per the requirement of section 152 of Companies Act, 2013 Director of the company shall be appointed with the consent of the members and hence the board recommends the said Item No. 3 for approval by the members of the Company.



The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, and a declaration that he is in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014. He has also given his consent to continue as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Anil Balkrishna Patwardhan (DIN: 09441268), fulfils the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

The brief resume of Mr. Anil Balkrishna Patwardhan (DIN: 09441268) nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board etc. as required under Secretarial Standard on General Meeting (SS-2) is set out in this Notice at Annexure A.

Except Mr. Anil Balkrishna Patwardhan (DIN: 09441268) and his relatives none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board of Directors recommends the said resolution as set out in Item, No. 3 as Ordinary Resolution.

#### **Item No-4**

The Current Authorized Share Capital of the Company is Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each. The Company proposes to increase its authorized share capital to Rs. 20,00,00,000/- to facilitate any fund raising in future via further issue of equity shares of the company.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

The Directors recommend the Resolution set out in the Notice for the approval of the Members. A copy of MOA, Registers and other requisite documents are available for inspection by the Members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board of Directors recommends the said resolution as set out in Item, No. 4 as an Ordinary Resolution.

#### **Item No-5**

Mrs. Prem Devi Baid (DIN: 00774922) has requested the board for continuation as Non-Executive Director on the Board of the Company. The Board of Directors recommended her for continuation of as Non-Executive Director of the company by passing the Board Resolution on December 23, 2021.

The brief resume of Mrs. Prem Devi Baid, nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board etc. as required under Secretarial Standard on General Meeting (SS-2) is set out in this Notice at Annexure A

Except Mrs. Prem Devi Baid (DIN: 00774922) and her relatives none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.



The Board of Directors recommends the said resolution as set out in Item, No. 5 as Ordinary Resolution.

**By Order of the Board of Director  
For Laxmi India Finlease Cap Private Limited**

**SD/-  
Gajendra Singh Shekhawat  
Company Secretary and Compliance Officer**

**DATE: December 28, 2021**

**PLACE: Jaipur**



## Annexure-A

## Brief Profile of Mr. Surendra Mehta (DIN: 00298751)

<b>Name of the Director</b>	Mr. Surendra Mehta
<b>DIN</b>	00298751
<b>Date of Birth</b>	12-01-1946
<b>Nationality</b>	Indian
<b>Age</b>	76 Years
<b>Date of first Appointment on the Board</b>	31-12-2016
<b>Relationship with Directors, members and Key Managerial Personnel</b>	None
<b>Expertise in specific functional area</b>	Having experience in financial matters.
<b>Qualification(s)</b>	Graduation in Commerce
<b>Terms and conditions of appointment or re-appointment</b>	As per Appointment Letter
<b>Remuneration sought to be paid</b>	As per Appointment Letter
<b>Remuneration last drawn by such person, if applicable</b>	NIL
<b>The number of Meetings of the Board attended during the year</b>	2
<b>Board Membership of other listed Companies as on March 31, 2021</b>	None
<b>Number of equity shares held in the Company as at March 31, 2021</b>	None
<b>Chairmanships/Memberships of the Committees of other companies</b>	None

## Brief Profile of Mr. Anil Balkrishna Patwardhan (DIN: 09441268)

<b>Name of the Director</b>	Mr. Anil Balkrishna Patwardhan
<b>DIN-</b>	09441268
<b>Date of Birth</b>	02/11/1954
<b>Nationality</b>	Indian
<b>Age</b>	67
<b>Relationship with Directors and Key Managerial Personnel</b>	None
<b>Expertise in specific functional area</b>	40 Years of Banking Experience with Reputed PSU Bank. Held various positions at Different levels with Leadership Role in different Parts of Country and Overseas Place. -San Francisco USA. Head of International Syndication Team and Head of large Corporate with Asset size of Rs 18000 Cr. Last Post was General Manager Large Corporate- Medium Corporate. Post Superannuation Head of Syndication Team of Centrum Broking Ltd.
<b>Reason for change viz. appointment, resignation, removal, death or otherwise</b>	Appointment
<b>Date of appointment/cessation (as applicable)</b>	December 23, 2021
<b>Remuneration sought to be paid</b>	As per Appointment Letter
<b>Remuneration last drawn by such person, if applicable</b>	NA
<b>The number of Meetings of the Board attended during the year</b>	NA
<b>Term of Appointment</b>	3 years



<b>Board Membership of other listed Companies as on March 31, 2021</b>	None
<b>Number of equity shares held in the Company as at March 31, 2021</b>	None
<b>Chairmanships/Memberships of the Committees of other companies</b>	None

**Brief Profile of Mrs. Prem Devi Baid (DIN: 00774922)**

<b>Name of the Director</b>	Mrs. Prem Devi Baid
<b>DIN</b>	00774922
<b>Date of Birth</b>	02/02/1950
<b>Nationality</b>	Indian
<b>Age</b>	71
<b>Date of first Appointment on the Board</b>	February 04, 2011
<b>Relationship with Directors, members and Key Managerial Personnel</b>	Relative of Mr. Deepak Baid (Son) and Mrs. Aneesha Baid (Daughter in Law)
<b>Expertise in specific functional area</b>	Expertise in functional area of the company business.
<b>Qualification(s)</b>	B.Com
<b>Terms and conditions of appointment or re-appointment</b>	As per existing Terms
<b>Remuneration sought to be paid</b>	As per existing Terms
<b>Remuneration last drawn by such person, if applicable</b>	As per existing Terms
<b>The number of Meetings of the Board attended during the year</b>	6
<b>Board Membership of other listed Companies as on March 31, 2021</b>	NIL
<b>Number of equity shares held in the Company as at March 31, 2021</b>	590240
<b>Chairmanships/Memberships of the Committees of other companies</b>	NIL



**Laxmi India Finleasecap Private Limited**

**CIN: U65929RJ1996PTC073074**

**Registered office:** 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

**Tel. No.:** 0141-4031166 • **Website:** [www.lifc.co.in](http://www.lifc.co.in) • **Email Id:** [info@lifc.in](mailto:info@lifc.in)

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65929RJ1996PTC073074

Name of the Company: Laxmi India Finleasecap Private Limited

Registered Office: 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

<p><b>Name of the member (s):</b> .....</p> <p><b>Registered address:</b> .....</p> <p>..... <b>E-mail Id:</b> .....</p> <p><b>Folio No/ Client Id:</b> .....</p> <p><b>DP ID:</b> .....</p>
--

I/We, being the member (s) of ..... shares of the Laxmi India Finleasecap Private Limited, hereby appoint

<p>1. <b>Name:</b> .....</p> <p><b>Address:</b> .....</p> <p>.....</p> <p><b>E-mail Id:</b>..... <b>Signature:</b> .....</p>
--

or failing him

<p>2. <b>Name:</b> .....</p> <p><b>Address:</b> .....</p> <p>.....</p> <p><b>E-mail Id:</b>..... <b>Signature:</b> .....</p>
--

or failing him

<p>3. <b>Name:</b> .....</p> <p><b>Address:</b> .....</p>
---



.....

E-mail Id:..... Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on the **Wednesday, December 29, 2021 at 11.00 A.M.** at registered office of the company situated at 2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan, India and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution No.**
1. To receive, consider and adopt the audited Financial Statement of the company for the period ended on 31st March, 2021 together with the Report of Board of Directors and Auditors thereon.
  2. To approve the re-appointment of Mr. Surendra Mehta (DIN: 00298751) as an Independent Director of the Company for a second term of five consecutive years and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.
  3. Approval for Regularization of Mr. Anil Balkrishna Patwardhan (DIN: 09441268) as Non-Executive Independent Director on the Board of the Company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
  4. Approval for Increasing the Authorised Share Capital of the Company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
  5. Approval for continuation of Mrs. Prem Devi Baid (DIN: 00774922) as Non-Executive Director of the company and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

Signed this..... day of..... 2021

Please  
Affix  
Revenue  
Stamp

Signature of shareholder.....Signature of Proxy holder(s).....

**Note:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





**Laxmi India Finleasecap Private Limited**

**CIN: U65929RJ1996PTC073074**

**Registered office:** 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

**Tel. No.:** 0141-4031166 • **Website:** [www.lifc.co.in](http://www.lifc.co.in) • **Email Id:** [info@lifc.in](mailto:info@lifc.in)

**ATTENDANCE SLIP**

**Name of the Company:** Laxmi India Finleasecap Private Limited

**Registered Address:** 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

**CIN:** U65929RJ1996PTC073074 **Email:** [info@lifc.in](mailto:info@lifc.in)

**Telephone:** 0141-4031166 **Website:** [www.lifc.co.in](http://www.lifc.co.in)

**Meeting Number:** 24<sup>th</sup> AGM

**Date:** 29.12.2021

Folio No.....DP ID No:.....Client ID .....
Name of First named Member/Proxy/Authorised Representative.....
Name of Joint Member(s), if any: .....
No. of Shares held. ....

I/we certify that I/we am/are member(s)/proxy for the member(s) of the company.

I/we hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the company being held on **Wednesday, December 29, 2021 at 11.00 A.M.** at the Registered Office of the Company at 2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan.

Signature of First holder/Proxy/Authorised Representative.....

Signature of 1st Joint holder.....

Signature of 2nd Joint holder.....

Note(s): 1. please sign this attendance slip and hand it over at the Attendance Verification Counter at the Meeting Venue.

2. Only shareholders of the company and/or their Proxy will be allowed to attend the Meeting.





**BOARD REPORT**  
**OF**  
**LAXMI INDIA FINLEASECAP**  
**PRIVATE LIMITED**  
**FOR**  
**THE FINANCIAL**  
**YEAR 2020-21**



## **CORPORATE INFORMATION AS ON MARCH 31, 2021**

### **BOARD OF DIRECTORS**

MR. DEEPAK BAID	DIN: 03373264	CHAIRMAN & MANAGING DIRECTOR
MRS. ANEESHA BAID	DIN: 07117678	DIRECTOR
MRS. PREM DEVI BAID	DIN: 00774922	DIRECTOR
MR. SURENDRA MEHTA	DIN: 00298751	INDEPENDENT DIRECTOR
MR. KISHORE KUMAR SANSI	DIN: 07183950	INDEPENDENT DIRECTOR

### **KEY MANAGERIAL PERSONNEL**

MR. PIYUSH SOMANI	CHIEF FINANCIAL OFFICER
MR. ANURAG JAIN	COMPANY SECRETARY

### **AUDITORS**

#### **STATUTORY AUDITOR**

M/S A BAFNA & CO.  
CHARTERED ACCOUNTANTS  
K-2, Keshav Path, Near Ahinsa Circle  
C Scheme, Jaipur-302001, Rajasthan  
Tel. No.: 0141-2372572, 2375212, 2373873

#### **INTERNAL AUDITOR**

Mr. Vaibhav Agiwal  
CHARTERED ACCOUNTANTS  
989/D, Vaibhav Villa, Ramble Road  
Near Church Hall, Christian Ganj, Ajmer,  
305001, Rajasthan

#### **SECRETARIAL AUDITOR**

M/S PINCHAA & CO.  
PRACTICING COMPANY SECRETARIES  
108, Shree Mansion, G-23, Kamla Marg,  
C-Scheme, Jaipur -302 001 (Rajasthan)  
Tel. - 0141-4106355;  
E-Mail: [ppincha@gmail.com](mailto:ppincha@gmail.com)

#### **REGISTERED OFFICE**

2, DFL, Gopinath Marg, MI Road,  
Jaipur -302001, Rajasthan  
Website: [www.lifc.co.in](http://www.lifc.co.in) ; E-mail ID: [Info@lifc.in](mailto:Info@lifc.in)



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**BANKS & FINANCIAL INSTITUTIONS**

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**BANKER & FINANCERS**

Aavas Financiers Ltd  
AK Capital Finance Limited  
Ambit FinvestPvt Ltd  
Au Small Finance Bank Limited  
Avanse Financial Services Ltd  
Bandhan Bank Limited  
Bank of Baroda  
Capital Small Finance Bank Limited  
Eclear Leasing & Finance Limited  
Electronica Finance Limited  
ESAF Small Finance Bank  
Aadani Capital Private Limited  
Fincare Small Finance Bank Limited  
Growth Sources Financial Technologies Private Limited  
Hero Fincorp Limited  
Hinduja Leyland Finance Limited  
Hiranandani Financial Services Private Limited  
Incred Financial Services Limited  
IDFC First Bank Limited  
IKF Finance Limited  
InfintyFincorp Solutions Private Limited  
Maanaveeya Development & Finance Private Limited  
Mahindra and Mahindra Financial Services Limited  
Mas Financial Services Limited  
Moneywise Financial Services Private Limited  
Muthoot Capital Services Limited  
Micro Units Development & Refinance Agency Limited (MUDRA)  
National Bank for Agriculture and Rural Development (NABRD)  
Nabkisan Finance Limited  
Nabsamruddhi Finance Limited  
Northern Arc Capital Limited  
Punjab National Bank



Shri Ram City Union Finance Limited  
Shriram Transport Finance Company Limited  
Small Industries Development Bank of India  
Ugro Capital Limited  
Utkarsh Small Finance Bank  
Vivriti Capital Private Limited  
Western Capital Advisors Private Limited  
State Bank of India

**TRUSTEE**

IDBI TRUSTEESHIP SERVICES LIMITED  
Asian Bldg., Ground Floor, 17, R.Kamani Marg,  
Ballard Estate, Mumbai-400001, Maharashtra  
E-mail ID: [csvishy@idbitrustee.com](mailto:csvishy@idbitrustee.com)

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**REGISTRAR & SECURITIES TRANSFER AGENT**

CDSL VENTURES LTD.  
I-202 Deck Level, Tower No. 4  
2nd Floor, Above Belapur Railway Station  
Belapur Navi Mumbai-400614  
Website: [www.cdslindia.com](http://www.cdslindia.com)  
Phone No. 022-61216931

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**CORPORATE IDENTIFICATION NUMBER**

U65929RJ1996PTC073074

**BOARD'S REPORT**

To,  
The Members,  
Laxmi India Finleasecap Private Limited

The Board of Directors ("Board") of your Company has immense pleasure in presenting the 24<sup>th</sup> Board Report on the Business and Operations of the Laxmi India Finleasecap Private Limited (hereinafter referred as "we" or "the Company" or "Laxmi India" or "LIFC") together with the audited financial statements for the Financial Year ended March 31, 2021.

**1. FINANCIAL SUMMARY AND HIGHLIGHTS**

The Company's performance for the financial year ended 31<sup>st</sup> March, 2021 is summarized as below:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March 2021	Year ended 31st March 2020
Total Revenue	8877.60	8236.59
Total Expenditure	2061.59	2345.41
<b>Profit Before Interest &amp; Depreciation</b>	<b>6816.01</b>	<b>5891.18</b>
Less: Interest and Finance charges	4950.54	4448.36
Less: Depreciation	<b>90.43</b>	95.03
<b>Profit Before Tax</b>	<b>1775.04</b>	<b>1347.79</b>
Total Tax Expenses	726.07	353.07
<b>Profit After Taxation</b>	<b>1048.97</b>	<b>994.72</b>
Other Comprehensive Income (Net of Tax)	9.94	11.34
<b>Total Comprehensive Income for the period</b>	<b>1058.91</b>	<b>1006.06</b>
<b>APPROPRIATION :-</b>		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	211.78	201.21
<b>EPS:-</b>		
Basic	7.51	7.50
Diluted	7.51	7.50

- 1.1 During the Financial Year under review, the Company saw increase in its income of Rs. 8877.60 Lakhs for the year ended March 31, 2021 as compared to Rs. 8236.59 Lakhs for the year ended March 31, 2020.
- 1.2 The paid-up Equity Share Capital of the Company as on March 31, 2021 stood at Rs. 1431.28 Lakhs
- 1.3 During the F.Y. 2020-21, Company had allotted 6,75,700 Nos. of Equity Shares of Rs. 10/- each at a premium of Rs. 64/-per share vide Board Resolution passed in the Business Operation Committee Meeting Dated 30<sup>th</sup> September, 2020, on right basis.



- 1.4 During the financial year, the company has changed/shifted its registered office from the state of West Bengal to state of Rajasthan after obtaining the approvals from Regional Director, Eastern Region, Kolkata dated 12<sup>th</sup> January 2021 and Reserve Bank of India, Kolkata and other necessary approvals has been taken in this regard.
- 1.5 Further, during the financial year the jurisdiction of Reserve Bank of India has been changed from Kolkata, West Bengal to Jaipur, Rajasthan pursuant to change in the registered office of the Company as mentioned in above para w.e.f. 15<sup>th</sup> March 2021 and new COR No. is B-10.00318

## **2. COVID-19**

COVID-19 is changing the world we live in for the worst, and almost all parts of the world are suffering from decreasing economies. Not in living memory has humankind passed through as challenging a year as it did in 2020-2021. The COVID-19 viral outbreak was different from variants of the past. It combined the speed of spread with debilitation and death. This pandemic is not only taking a toll out of health care systems and peoples' lives but also its impacting world economies and resulting in job losses, business disruptions and making us head towards one of the worst times ever for people on earth. Almost, all the industries are undergoing massive declines in their businesses, and the impact is that much gigantic of this pandemic, that they are projecting worse times ahead.

The Government of India has taken various swift actions to navigate the nation through this pandemic. Even the Reserve Bank of India (RBI) has announced various measures including moratorium on EMI payment for loans, TLTRO, PCG Scheme, restructuring option for lenders, etc. Further, there are expectations that the government will announce further financial support for the weaker individuals and MSME businesses. In spite of these actions, the expected negative impact on the micro enterprises will be significant.

The Company has used the principle of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended March 31, 2021. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further the impact does not indicate any adverse impact on the ability of the company to continue as a going concern.

## **3. CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business of the company.

## **4. SUBSIDIARY JOINT VENTURES AND ASSOCIATE COMPANIES**

During the year under review, Company has no subsidiary, associate or joint ventures Companies, so the requirement of disclosure as per Rule 8(1) of the Companies (Accounts) Rules 2014 is not attracted here.

## **5. DIVIDEND:**

For expansion of business and for general corporate requirement, the Board of Directors of your company has decided that it would be prudent, not to recommend any Dividend for the year under review.

## **6. RESERVES:**





Since the Company is a Non- Banking Financial Company registered with Reserve Bank of India (RBI) therefore as per section 45-IC of the RBI Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Therefore, the Company has transferred Rs. 211.78 Lakhs in the statutory reserves out of profits as required under section 45-IC of the Reserve Bank of India Act, 1934.

## **7. STATE OF AFFAIRS**

- a) Segment wise position and operation: - Segment wise position of business includes operations as detailed in Point No 8 of this Board Report.
- b) Change in status of the company: NA
- c) Key business development: NA
- d) Change in the financial year: - NA
- e) Capital expenditure programmes: - NA
- f) Detail and status of acquisition, merger, expansion, modernization and diversification: NA
- g) Developments, acquisition and assignments of material intellectual Property Rights: NA
- h) Any other material event having an impact on the affairs of the Company: NA

## **8. OPERATIONAL HIGHLIGHTS**

### **a. Disbursement**

The company offers, a wide range of MSME Loan (Loan Against Property-backed up with registered mortgage of property), Auto Loan (Used car loans, Commercial Vehicle Loans, Tractor Loan and Two Wheeler Loans), Business Loan (MSME), Personal Loan. Disbursement in FY 2020-21 aggregated to Rs. 159.82 crores as compare to Rs. 215.77 crores in FY 2019-20.

### **b. Assets Under Management (AUM)**

During the Year 2020-21 the Company crossed AUM of the company not grown so much as compare to previous year due to COVID-19 impact. AUM of the Company stood at Rs. 46172.76 Lakhs for the year ended as on March 31, 2021 against March 31, 2020 which stood at Rs. 41707.37 Lakhs.

### **c. Performance review**

Laxmi India is emerging as the leading Financing Solutions provider and a one-step for customer providing a suite of financing and leasing solutions across varied assets. Laxmi India aspires to scale up the business through strategic initiatives and leveraging a strong foothold in the Commercial Finance Business. The Commercial Finance Business is committed to being a complete financial solutions partner to its customers, through high quality service and innovative products, which provide value to its customers.

Going forward, Laxmi India plans to grow its MSME business as well as a continued focus on Commercial Vehicle, Light Commercial Vehicle and Two Wheeler Loans. Additionally, it continues to focus on high NIM (Net Interest Margin) products, increase customer acquisition, especially through expanding its customer Durables Loans business, balancing its product mix, ramping up free based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability. Laxmi India also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. There are plans to automate several processes to ensure Quick Turnaround.



While fulfilling our mission of Financial Inclusion, your Company has also built a deep knowledge of customers with micro-data points ranging from income, payment behaviors, socio-economic status and other indirect data. The Company is successfully mining this data by building a powerful analytics models extended through digital platforms for customer acquisition, collections, NPA management, customer engagement, forecasting business trend, etc.

During the year, your Company further expanded its geographical presence by reaching out to untapped villages and increased its footprints by opening new branches and making it more accessible to its customers.

The company's total income grew by 7.78% to Rs. 8877.60 Lakhs from Rs. 8236.59 Lakhs. Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk benefit led to increase in yields during Financial Year 2020-21.

## 9. RESOURCE MIX

### • Borrowings

The Company has diversified funding sources from Public Sector Banks, Private Sector Banks, and Financial Institutions etc. Funds were raised in line with Company's Resource Planning Policy through Term Loans, Non-Convertible Debentures (NCDs). The details of funds raised during the year are as below:

S. No.	Borrowings / Security Type	Credit Rating	Amount Raised (In Crs)
1	Term Loan from Banks and Financial Institutions (including overdraft)	BWR BBB+/Stable, Acuite BBB+/Stable	161.48
2	Secured Redeemable Non-Convertible Debentures	BWR BBB+/Stable, Acuite BBB+/Stable	40.00

No Interest payment or principle repayment of the Term Loans and Non-Convertible Debentures was due and unpaid as on March 31, 2021. The assets of the company which are available by way of security are sufficient to discharge the claims of the banks and debenture holders as and when they become due.

### • Debentures

The Brief details of NON Convertible Debentures issued during the year 2020-21 are mentioned as under:

S. No.	ISIN	Date of issue	Date of Allotment	Issue by way of	Secured/Unsecured	Listed/Unlisted	No of Debentures	Maturity Date	Issue Price	Amount in Cr
1	INE06WU07015	08.06.2020	14.07.2020	Private Placement	Secured	Listed	50	14.07.2023	1000000	5.00
2	INE06WU07023	01.09.2020	04.09.2020	Private Placement	Secured	Listed	100	21.04.2023	1000000	10.00
3	INE06WU	12.11.	19.11.	Private	Secured	Listed	50	19.05.	1000	5.00



	07031	2020	2020	Placeme nt				2022	000	
4	INE06WU 07049	26.03. 2021	31.03. 2021	Private Placeme nt	Secured	Unlisted	2000	30.06. 2023	1000 00	20.0 0
<b>Total</b>							<b>2200</b>			<b>40.0 0</b>

- **Securitisation/Assignment**

During the year, your company had assigned a loan portfolio having a total principal amount of Rs. 15.36 Crores under Direct Assignment route. In previous year, the company had assigned a loan portfolio having a total principal amount of Rs. 30.72 Crores under Direct Assignment route.

- **Debt to Equity ratio (Leverage ratio)**

As on March 31, 2021, the debt and equity ratio of the Company stood at 3.95 against March 31, 2020 which stood 4.36 times. The leverage ratio of an applicable NBFC (except NBFC-MFI and NBFC-IFCs) shall not be more than 7 at any point of time and our leverage ratio is under better position.

## **10. CREDIT RATING**

Laxmi India has received rating as under:

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2020-21
Bank Loan rating	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+
Bank Loan rating	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+
Term Loan rating	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+
Term Loan rating	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+
Non-Convertible Debentures	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+
Non-Convertible Debentures	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+

## **11. CAPITAL ADEQUACY**

Consequent upon the allotment of Equity Shared issued on a preferential allotment basis to existing shareholders, the paid up share capital of the Company has increased from Rs. 13.64 crores to Rs. 14.31 crores as on March 31, 2021.

As a result of increased net worth, your Company was able to enhance the Capital to Risk Weighted Assets (CRAR) to 21.68% as on March 31, 2021 well above the minimum requirement of 15.00% CRAR prescribed by the Reserve Bank of India. Out of the above, Tier I capital adequacy ratio stood at 20.58% and Tier II capital adequacy ratio stood at 1.10% respectively.



## **12. SOCIAL & RELATIONSHIP CAPITAL (HUMAN RESOURCES)**

The Company recognized people as its most valuable assets and it has built an open, transparent and meritocratic culture to nurture this asset. Laxmi India's mission of creating a high performance culture has been further strengthened through areas such as building a capability model (identification of critical competences) nurturing talent through interventions such as coaching, competency bases training programs and cross functional projects.

Your Company has a work environment that inspires people to do their best and encourages an ecosystem of teamwork, continuous learning and work life balance. Your Company believes that people perform to the best of their capability in organization to which they feel truly associated. Your Company focuses on widening organizational capabilities and improving organizational effectiveness by having a competent and engaged workforce. Our people are our partners in progress and employee empowerment has been critical in driving our organizational growth to the next level.

In the time of COVID-19, company has always supported employees and during the financial year 2020-2021, management did not left the hands of employee in any situation and provided many benefits to the employees and their family like Interest free financial support for Covid affected employees & family on easy repayment terms, special paid leaves for covid affected employees, 50% salary credit to the family of the deceased employees up to 1 year, employment opportunities on merits for the eligible dependents, vaccination support program etc.

The Company had 445 employees on and off the rolls of the company as at March 31, 2021 as compared to 430 as on March 31, 2020.

## **13. NETWORK EXPANSION (BRANCHES)**

Looking into the situation of the company during the financial year, your company did not achieve the expected expansion plan and could open only 4 branches in Madhya Pradesh. Currently company have total of 89 branches in three states - Rajasthan (77 Branch), Gujarat (8 Branch), Madhya Pradesh (4 Branch).

## **14. TECHNOLOGY INITIATIVES**

The Indian financial market sector is becoming both more strategically focused and technologically advanced to respond to consumer expectations while trying to defend market share against an increasing array of competitors. A great deal of emphasis is being placed on digitizing core business process and reassessing organizational structures and internal talent to be better prepared for the future. This transformation illustrates the increasing desire to become a 'digital institutions'.

The Management of your company realizes that and has been investing in technological up-gradation and also fine-tuning the systems and process to ensure that those are in sync with the technology platforms. With the goal aimed to the future and service aimed to customers, both 'Internal& External', we have established a goal of techno driven company.

LIFC is very keen to adapt new technology whether in term of accounting software's for better reporting purpose or in order to reduce Turn Around Time ("TAT") moving to the Tab based LOS. Company is using more than 10 digital techniques for getting the optimised results with least cost that enhances the quality of the portfolio along with the reduction in overall TAT.

As a part of seeing more functions towards the technology, we are experimenting with the technologies such as more mobile based applications and some of the initiatives taken are as under:



- **Laxmi Mitra (Referral Application):** Soft Launching of referral application took place in October, 2019 where lead generation is done in least cost with real time tracking of file processing. LaxmiMitra is available on Google play store for android based platform users.
- **M Collection:** This application gives a real time Collection receipt by a mobile operated thermal printer to customer. Collection executives have to put loan account number into the application and application fetches the data of the respective customers and generates a print.
- **E-NACH:** Activation of NACH in less than 48 hours and it gave a reduction from 15 days to 2 days' time. Least manual intervention, improve higher accuracy with minimal cost.
- **Vehicle valuation Application:** - Vehicle Valuation in less than 2 hours with real time valuation and least manual intervention with higher accuracy.
- **LOS application:** - Very soon we are coming with LOS which will be based upon mobile and can help in reducing TAT and moved towards next level of Digitalization.
- **Time Labs:** Geo Tagging, Mobile based attendance application software with real time access to Pay slip, Reimbursement of expenses and download form 16 A.
- **Auto Dialer:** - Customer get the auto reminder call for every EMI's and the same is send in Text message by this application
- **IT Portal & Asset tracking application:** -Company has developed the real time basis assets tracking application with the details of all fixed assets of the company in more systematic and easy way.
- **CRM:** In the previous year we have built a Customer Relationship Management software which was built for incorporation of better and smooth functioning of post disbursement services or queries raised by either customer or staff of the company. Complaints like functions of legal actions, foreclosure, release of property papers, pendency's in the document, etc can be solved through the app.

**15. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:**

India is currently experiencing a massive second wave of Covid-19 infection. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness. Amid rising coronavirus cases in the country, some of the states, including Rajasthan, Maharashtra and Karnataka have put strict restrictions on movements. Though the disruption in economic activities due to the second wave of COVID-19 may impact non-banking financial companies (NBFCs), the sector will attain normalcy soon, helped by the 'pent-up' demand, say industry players. Other than this there were no material changes and commitments affecting the financial position of the Company, which occurred between end of financial year of the Company to which the financial statements relate and date of this report.

**16. DIRECTORS AND KEY MANEGRIAL PERSONNEL:**

**a. Change in the Directors and KMP**



During the year under review, there were no changes in directors and Key Managerial personnel of the Company. But, between the end of financial year of the company to which the financial statement relates and the date of the report following changes took place in Directors and KMP:

NAME	PARTICULARS
Mr. Anil Balkrishna Patwardhan (DIN-09441268)	Appointed as Additional Independent Director on 23.12.2021
Anurag Jain	Resigned as Company Secretary and Compliance Officer on 19.06.2021
Gajendra Singh Shekhawat	Appointed as Company Secretary and Compliance Officer on 20.06.2021
Prem Devi Baid (DIN: 00774922)	Continuation as Non-Executive Director of The Company

None of the Directors of the Company are disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

The Directors of the Company as on 31.03.2021 are as follows:

Sl. No.	Name of the Director	Designation
1.	Deepak Baid	Chairman and Managing Director
2.	Aneesha Baid	Director
3.	Prem Devi Baid	Director
4.	Surendra Mehta	Independent Director
5.	Kishore Kumar Sansi	Independent Director

#### **b. Key Managerial Personnel**

Pursuant to the provision of Section 203 of the companies Act, 2013 read with the rules made thereunder, the following are the key managerial personnel of the company as on 31.03.2021:

- Mr. Deepak Baid, Managing Director
- Mr. Piyush Somani, Chief Financial Officer
- Mr. Anurag Jain, Company Secretary

#### **c. Declaration by an Independent Director(s)**

The Company has received declaration from all the Independent Directors Under section 149(7) of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014, amended as on date, confirming that they meet the criterion of independence laid down in Section 149(6) of the Companies Act, 2013 and have complied with the provisions of Rule 6(1) & 6(2) of the Companies (Appointment and qualification of Directors) Rules, 2014, amended as on date.

#### **d. Separate Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company was held on Friday, September 25, 2020, in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, which was attended by all the Independent Directors of LIFC.

### **17. NUMBER OF BOARD MEETINGS OF THE BOARD OF DIRECTORS**



The Board of Directors met 6 times during the year under review. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held on short notice 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. Frequency and quorum of these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act and Secretarial Standards issued by ICSI. Moreover, due to business exigencies or keeping in mind the urgency of matter, resolutions were passed by way of circulation. The Board of Directors actively participated in the meetings and contributed valuable inputs on the matters brought before them from time to time.

During the Financial Year 2020-21, the Company held 6 (Six) Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013, which is summarized below.

S.N.	Day, Date of Meeting	Board Strength	No. of Directors Present
1.	Monday, June 08, 2020	5	5
2.	Saturday, August 22, 2020	5	3
3.	Tuesday, September 01, 2020	5	4
4.	Thursday, November 12, 2020	5	3
5.	Saturday, February 06, 2021	5	3
6.	Friday, March 26, 2021	5	3

#### PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS

SN	Name of Director	Board Meeting			Committee Meeting			AGM held on 28.08.2020
		No of Meeting	No of Meeting attended	%	No of Meeting entitled to attend	No of Meeting attended	%	
1.	Deepak Baid	6	6	100.00	19	19	100.00	Yes
2.	Aneesha Baid	6	6	100.00	19	19	100.00	Yes
3.	Prem Devi Baid	6	6	100.00	13	13	100.00	Yes
4.	Surendra Mehta	6	2	33.33	6	6	-	No
5.	Kishore Kumar Sansi	6	1	16.66	-	-	-	No

#### 18. BOARD COMMITTEES

The Board of Directors of LIFC functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals, focus on their assigned areas and make informed decisions within the authority delegated to them.

The Board places significant reliance on its committees by delegating responsibilities to assist it in carrying out its function under its supervision and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole.

Laxmi India has constituted Four (04) committees of Board, which are as below;

##### 1. Corporate Social Responsibility (CSR) Committee:



During the financial year 2020-21, the Corporate Social Responsibility (CSR) Committee met (02) twice and CSR Committee meetings were held on Saturday, August 22, 2020 and Wednesday, March 31, 2021.

The composition of CSR Committee as on March 31, 2021 and details of attendance at its meetings during the financial year 2020-21, areas under:

Name of the director	Position	No. of Meetings in which Director/Member is entitled to attend	
		Held	Attended
Mr. Deepak Baid	Chairman	2	2
Mrs. Aneesha Baid	Member	2	2
Mr. Surendra Mehta	Member	2	2

## 2. Business Operation Committee

During the Financial Year, the Board of Directors of the Company has constituted Business Operation Committee of the Board Members for doing the work as assigned by the Board of directors in their meeting held on June 08, 2020.

During the financial year 2020-21, the Business Operation Committee met (13) thirteen times and Business Operation Committee were held on July 02, 2020, July 14, 2020, July 31, 2020, September 04, 2020, September 23, 2020, September 30, 2020, November 19, 2020, December 04, 2020, December 21, 2020, February 3, 2021, February 23, 2021, March 05, 2021, March 12, 2021

Name of the director	Position	No. of Meetings in which Director/Member is entitled to attend	
		Held	Attended
Mr. Deepak Baid	Chairman	13	13
Mrs. Aneesha Baid	Member	13	13
Mrs. Prem Devi Baid	Member	13	13

## 3. Assets Liability Supervisory Committee (ALCO)

The Company had constituted this committee in accordance with the RBI guidelines and RBI Master Directions. The Asset Liability Management Committee reviews assets and liabilities position of the company and gives direction to the finance teams in managing the same. Under Schedule III of the Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. The classification of assets and liabilities by the company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by the Reserve Bank of India.

### Terms of reference:

The terms of reference of the Committee *inter-alia* include the following:

- Understanding business requirement and devising appropriate pricing strategy
- Management of profitability by maintaining relevant Net interest margin (NIM);
- Ensuring Liquidity through maturity matching;
- Ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company;





- Management of balance sheet in accordance with internal policies and applicable regulatory requirements
- Ensure the efficient implementation of balance sheet management policies as directed by ALCO;
- Review reports on liquidity, market risk and capital management;

#### Composition and Attendance:

The Assets and Liability Management Committee met twice during the year on 08<sup>th</sup> June, 2020 and 12<sup>th</sup> November, 2020 to discharge its functions. The Composition and attendance details of the members of the Assets Liability Management Committee are given below:

Name of Director	Category	Designation in the Committee	No of Meetings which director is entitled to attend	
			Held	Attended
Mr. Deepak Baid	Managing Director	Chairman	2	2
Mrs. Aneesha Baid	Executive Director	Member	2	2
Mr. Surendra Mehta	Independent Director	Member	2	2

#### 4. Risk Management Committee

The Company had constituted its Risk Management Committee in accordance with RBI guidelines. The object of Risk Management Committee is to frame, implement and monitor the risk management plans for the Company including identification therein for elements of risks if any, which may threaten the existence of the Company and such other functions. The Board of Directors on the recommendation of the Risk Management Committee approved Risk Management Policy for the company in accordance with provisions of the Act.

#### Terms of Reference:

The terms *inter- alia* include the following:

- Recommend to the Board, implement and maintain a sound system of risk oversight, management and internal control which identifies, assesses, manages and monitors risk and allows investors and other stakeholders to be informed of material changes to the company's risk profile;
- Assessment of the Company's risk profile and key areas of risk in particular;
- Recommendation to the Board and adopting risk assessment and rating procedures;
- Examining and determining the sufficiency of the Company's internal process for reporting on and managing key risk areas;
- Assessing and recommending to the Board acceptable level of risk;

#### Composition and attendance:

The Risk Management committee met twice during the year on 08<sup>th</sup> June, 2020 and 12<sup>th</sup> November, 2020 to discharge its functions. The Composition and attendance details of the members of the Risk Management Committee are given below:

Name of Director	Category	Designation in the Committee	No of Meetings which director is entitled to attend	
			Held	Attended
Mr. Deepak Baid	Managing Director	Chairman	2	2



Mrs. Aneesha Baid	Executive Director	Member	2	2
Mr. Surendra Mehta	Independent Director	Member	2	2

### **19. STATUTORY AUDITORS:**

M/s. A. Bafna & Company, Chartered Accountants, (FRN: 003660C) were appointed as Statutory Auditors of the Company, vide Ordinary Resolution passed in Annual General Meeting held on 14th August, 2019 till the conclusion of 27th Annual General Meeting to be held in year 2024.

M/s. A. Bafna & Company, Chartered Accountants, (FRN: 003660C) have confirmed that they are not disqualified within the meaning of Section 139 and 141 of The Companies Act, 2013, read with The Companies (Audit and Auditors) Rules, 2014 to continue as the Statutory Auditors of the Company.

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

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

### **21. Reporting of frauds by auditors**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported, any instances of fraud committed against the Company by its officers or employees, under Section 143 (12) of the Companies Act, 2013.

### **22. SECRETARIAL AUDITOR& SECRETARIAL AUDIT REPORT**

In compliance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors had appointed M/s Pinchaa & Co., Practicing Company Secretaries (Firm's Unique Code No. P2016RJ051800) to undertake the secretarial audit of the company for the Financial Year 2020-21.

The Secretarial Audit Report in form MR-3 is annexed herewith which forms part of this report and marked as **Annexure - III**. The information mentioned in secretarial Audit Report is self-explanatory, and needs no further explanation except the following:

<p><b>Qualification as per Secretarial Audit report:</b></p> <ol style="list-style-type: none"> <li>As per regulation 50(1) of SEBI (LODR) Regulation 2015, The listed entity shall give prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures shall be payable. The Company paid interest on 14.10.2020 but prior intimation regarding same is given late to Stock Exchange, i.e. on 14.10.2020.</li> <li>As per Regulation 60 of SEBI (LODR) Regulation 2015, the listed entity shall give prior intimation to the stock exchange(s) at least 7 working days in advance of record</li> </ol>	<p><b>Board Reply:</b> Board has asked the management the reason behind late filing of intimations with BSE Limited.</p> <p><b><u>Management Reply:</u></b> On the basis of above, the management confirm that company will to comply with all the compliances on time.</p> <p><b>The Board has shown their assent over the view of management</b></p>
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date. The record date was fixed on 28.09.2020 but the intimation regarding same was given on 14.10.2020.	
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### **23. INTERNAL AUDITOR & INTERNAL AUDIT REPORT**

As a part of its efforts to evaluate the effectiveness of the internal control systems, pursuant to the provisions of Section 138 of The Companies Act, 2013, read with The Companies (Accounts) Rules, 2014, Mr. Vaibhav Agiwal, Chartered Accountants, acts as Internal Auditor of the Company for conducting internal audit of various functions and activities of the Company, as per the scope, functioning, periodicity and methodology mutually decided by the Board thereof and the Internal Auditor. There are no qualifications or adverse remarks in the Internal Auditors' Report which require any clarification/explanation.

### **24. COST AUDITOR**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not so made and maintained.

### **25. SHARE CAPITAL**

- I. Authorized Share Capital: During the year under review, no change has been made in the authorized share capital of the Company, so as on 31<sup>st</sup> March, 2021, the authorized share capital is Rs. 150,000,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 shares of Rs. 10 each.
- II. Issued and paid up share capital: During the F.Y 2020-21, Company had allotted 6,75,700 Nos. of Equity Shares of Rs. 10/- each at a premium of Rs. 64/-per share vide Resolution passed by the Business Operation Committee in its Meeting Dated 30th September, 2020, on right basis and henceforth, Paid-up share capital as on March 31, 2021 is Rs. 14,31,28,460.00 divided into 1,43,12,846 equity shares of Rs. 10 each.

During the financial year 2020-21, the Company has issued following Non-Convertible Debenture to the following Debenture holders: -

- I. 50 (Fifty) Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 5,00,00,000/- (Rupees Five Crores only) on a private placement basis (the "Issue") to **Bank of Baroda** as on July 14, 2020.
- II. 100 (Hundred) Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 10,00,00,000/- (Rupees Ten Crores only) on a private placement basis (the "Issue") to **Punjab National Bank** as on September 04, 2020.
- III. 50 (fifty) Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 5,00,00,000/- (Rupees Five Crores only) on a private placement basis (the "Issue") to **Punjab National Bank** as on November 19, 2020.
- IV. 2000 (Two Thousand) Senior, Secured, Redeemable, Rated, Unlisted Non-Convertible Debentures ("Debentures"/ "NCDs") of face value of Rs. 1,00,000/- (Rupees One Lakhs only) each, aggregating



up to Rs. 20,00,00,000/- (Rupees Twenty Crores only) on a private placement basis (the “Issue”) to **A. K. Capital Finance Limited** as on March 31, 2021.

## **26. LISTING OF SECURITIES**

During the year, the company has raised Non-Convertible Debentures through private placements which are listed on Wholesale Debt Segment Market at BSE Limited. The equity shares of the company are not listed.

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

Disclosure required under Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, amended as on date is mentioned in the Annexure- IV.

## **28. ANNUAL RETURN**

As per the requirement of Section 92(3) of the Companies Act 2013 The Annual Return of the Company is available on Company’s website <https://www.lifc.co.in/Annual-return/>.

## **29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUT-GO:**

Your company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

### **(A) Conservation of Energy:**

(i) The steps taken or impact on conservation of energy: The operations of your company are not energy intensive. However adequate measures have been initiated to reduce energy consumption further.

(ii) The steps taken by the company for utilizing alternate sources of energy: The Company is exploring alternative source of energy, as and when the necessity arises.

(iii) The capital investment on energy conservation equipment: Nil

### **(B) Technology absorption:**

(i) The efforts made towards technology absorption: The Minimum technology required for the business has been absorbed.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.

(a) The details of technology imported: NIL

(b) The year of import: NIL

(c) Whether the technology been fully absorbed: N.A.



(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:  
N.A.

(iv) The expenditure incurred on Research and Development: NIL

**(C) Foreign exchange earnings and outgo:**

The foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. NIL

**30. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has always believed in providing a safe and harassment free workplace for every individual through various intentions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, amended as on date. All Employees (permanent, contractual, temporary, trainees) are covered under this policy. The Following summary of sexual harassment complaints received and disposed of during the year under review

<b>No. of Complaints Received</b>	<b>Nil</b>
<b>No. of Complaints disposed off</b>	<b>Not Applicable</b>

**31. RISK MANAGEMENT:**

Risks are events situation or circumstances which may lead to negative consequences on the company's business. Risk Management is a structured approach to manage uncertainty. A formal approach to risk management is being adopted by the company and key risks will now be managed within a unitary framework.

Periodic assessment to indemnify the risks areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk Management with the following objects.

- Provide an overview of the principles of risk management.
- Explain approach adopted by the Company for risk management.
- Define the organisational structure for effective risk management.
- Develop a risk culture that encourages all employees to identify risks and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

**32. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM**

Your Company has established a vigil mechanism for grievances redressal of Directors and Employees of the Company which will help in reporting genuine concerns or grievances of Directors and Employees,



actual or suspected fraud and it provides adequate safeguards against victimization. The same is placed on the Company's website and the web link for the same is <https://www.lifc.co.in/policies/>

### **33. DEPOSITS FROM PUBLIC**

Being a non-deposit taking Company, your Company has not accepted any deposit from public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposit (Reserve bank) Directions, 2016 and provision of the Companies Act, 2013 and shall not accept any deposit from the public without obtaining prior approval of the RBI. Therefore, disclosure required in terms of deposit accepted under chapter V of the Companies Act, 2013 is not applicable

Following is the detail of the outstanding amount of the loan received from director and relative of directors from whom money is borrowed and at the time of giving the money declaration in writing of the effect that the amount is not being out of funds acquired by him by borrowing or accepting loans or deposits from others and the company.

Loan Outstanding at the beginning of the year 01.04.2020	899.00
Loan Outstanding at the end of the year 31.03.2021	756.95

### **34. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186 of the Companies Act, 2013 read with rule 11(2) of the Companies (Meetings of the board and its powers) Rule, 2014, requiring disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable on Non-Banking Financial Company.

### **35. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

All related party transaction that were entered during the Financial Year 2020-21 were on Arm's length basis and were in the ordinary course of business.

Particulars of contracts or arrangement with the related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 and the same forms part of this report as **Annexure-II**. All the Related Parties Transactions as required under AS-18 are reported in the Notes to financial statement.

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transaction.

### **36. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your company has a separate committee for monitoring Corporate Social Responsibility ("CSR") activities and programs undertaken by the company. The Composition of CSR Committee of the Board of Directors, is in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

The brief outline of the CSR Policy, including overview of the programs undertaken by the Company, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of the amounts spent by the Company on CSR activities during the year under review, have been provided as **Annexure – I** to this report.



The Company's Corporate Social Responsibility Policy has been hosted on the website of the Company at [www.lifc.co.in](http://www.lifc.co.in).

### **37. RBI GUIDELINES:**

The Company continues to comply with the applicable regulations and guidelines of the Reserve bank of India as applicable to a Non-Banking Financial Company- Non Systemically Important Non-Deposit Taking Company (NBFC-NSI-ND). As a Prudent practice, your Company makes accelerated provisioning than that required by RBI for NBFCs in form of Impairment Loss Allowances under ECL Framework.

During the year, there were no frauds by the Company and no material frauds on the Company by its officers or employees. Further, no frauds have been reported to RBI, in terms of the Master Circular on monitoring of frauds in NBFCs dated July 1, 2015, as amended from time to time.

### **38. NOTICES RECEIVED/PENALTY IMPOSED:**

NIL

### **38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There were no significant material orders passed by the Regulators/ Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

### **39. STATEMENT OF DEVIATION(S) OR VARIATION(S)**

During the financial year 2020-21, Company has issued the 6,75,700 Nos equity shares on preferential basis, 50 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each, 100 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each, 50 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each and 2000 Non-Convertible Debentures on Private Placement Basis of Rs 1,00,00/- each and no deviation was therein the use of proceeds from the objects stated in the private placement offer letter.

### **40. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the Requirement of Section 134 (5) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby stated 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss 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; and



- e) Being an Unlisted company, directors are not required laid down the internal financial controls to be followed by the company.
- 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.

#### **41. AUDIT COMMITTEE:**

As on March 31, 2021, Section 177(8) relating to Audit Committee is not applicable the company because it does not meet the criteria of Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014.

#### **42. NOMINATION AND REMUNERATION COMMITTEE:**

As on March 31, 2021, Section 178 relating to Nomination and Remuneration committee is not applicable on the company since it does not meet the criteria of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. exceeding fifty crore rupees, is required to constitute the Nomination and Remuneration Committee and hence disclosure specified in section 134(3)(e) of Companies Act, 2013 is not applicable to the Company.

#### **43. ANNUAL PERFORMANCE EVALUATION:**

The Board of Director carried out an Annual evaluation of its own performance, board committees and individual directors pursuant to the provision of the Companies Act 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Guidance Note on Board Evaluation issued by SEBI.

The Board carried out evaluation of every Director's performance and its own performance and all the independent directors without the presence of Director being evaluated. The performance of the Board was evaluated by the Board after seeking inputs from all directors on the basis of criterion such as the board composition and structure, effectiveness of board processes, information and functioning etc. The Board expressed its satisfaction on performance evaluation.

During the year under review, a separate meeting of the independent directors was held 25<sup>th</sup> September 2020 without the attendance of Non-independent directors and the management of the Company to review the performance of Non Independent Directors and the Board as a whole, after assessing the quality, quantity and timeliness of flow of information between the Management and the Board which is necessary for the Board to effectively and reasonable perform its duties.

#### **44. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls with reference to Financial Statements. Internal control systems comprising of policies and procedures, are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

#### **45. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

Your company hereby discloses that there are no shares in the demat suspense account or unclaimed suspense account.





#### **46. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since, there was no unpaid/unclaimed dividend outstanding last year, therefore, the provisions of Section 125 of the Companies Act, 2013 does not apply on the Company.

#### **47. STATEMENT ON COMPLIANCE OF SECRETARIAL STANDARDS**

Your Directors state that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively and the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with by your Company.

#### **48. DECLARATION BY INDEPENDENT DIRECTOR AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT:**

The Company has received declarations from all the Independent Directors confirming that they continue to meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, and also confirmed that they have complied with the Company's code of conduct prescribed in Schedule IV to the Companies Act, 2013.

#### **49. APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE**

During the period under review the Company has not made any applications and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

#### **50. VALUATION**

The requirement of disclosure of Details of Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable during the period under review

#### **51. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels, towards the continued growth and prosperity of your Company. Your Director also wishes to place on record their appreciation to business constituents, banks and other financial institutions and shareholders, of the Company for their continued support.

For and on behalf of Board of Directors of  
**Laxmi India Finleasecap Private Limited**

Date: 28/12/2021  
Place: Jaipur

**Sd/-**  
**Deepak Baid**  
Chairman and Managing Director  
DIN: 03373264  
Address: B-114 A Dayanand Marg  
Tilak Nagar, Near water tank,  
Jaipur 302004 Rajasthan

**Sd/-**  
**Aneesha Baid**  
Director  
DIN: 07117678  
Address: B-114 A Dayanand  
Marg, Tilak Nagar, Near  
water tank, Jaipur 302004  
Rajasthan



## Annexure-I

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the companies (Corporate Social Responsibility) Rules, 2014**

**1. A brief outline of the Company's CSR Policy**

Corporate social responsibility is deeply rooted in the Laxmi India business philosophy. The company has a sense of responsibility towards making use of its existing resources and knowledge to not only make profits but also solve social and environmental issues. The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

As an integral part of the Company's commitment to good corporate citizenship, the Company believes in actively assisting in improvement of the quality of life of people in the communities. The Company desire to make enduring contributions to social development as a valued and trusted member of society by enriching people's life and making social contributions. Company tries to ensure economic growth with ecological and social responsibility.

The Focus Areas (undertaken/proposed to be undertaken) under the CSR Policy of your company are as follows:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;



- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and olympic sports;
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural Development Projects;
- (xi) Slum area development;
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

## 2. The Composition of the committee

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The Board of Directors has constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013 ("Act"). The Composition of the Committee as at 31<sup>st</sup> March, 2021 was as under:

S. 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.	<b>Mr. Deepak Baid</b>	Chairman/ Chairman & Managing Director	2	2
2.	<b>Mrs. Aneesha Baid</b>	Member/ Director	2	2
3.	<b>Mr. Surendra Mehta</b>	Member/ Independent Director	2	2

**3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

**4. 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: 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 (before tax) of the company as per section 135(5):** Average net profit: Rs. 10,84,37,285.00

- 7. a. Two percent of average net profit of the Company as per Section 135(5):Rs. 21,68,746.00
- b. Surplus arising out of the CSR projects or programs 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. 21,68,746.00





1	Empowering women through the sports	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Rajasthan, Jaipur	1,11,000.00	No	<b>Name:</b> Late Leelawati Chaturvedi Samriddhi Trust <b>CSR Registration Number:</b> Not Applicable
2	Vocational Trainings for reaching to unreached * Rural Development Community Mobilization and Livelihood Promotion Activities	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Maharashtra, Mumbai	20,58,000.00	No	<b>Name:</b> Omkar Andh-Apang Samajik Sanstha (Trust) <b>CSR Registration Number:</b> Not Applicable



(d) Amount spent in administrative overheads: Nil

(e) Amount spent on impact assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e):Rs. 21,69,000.00/-

(g) Details of excess amount for set-off are as follows:

SI. NO.	Particulars	Amount in Rs.
(i)	2% of average net profit of the Company as per Section 135(5)	21,68,746.00
(ii)	Total amount spent for the financial year	21,69,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	254.00.
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	254.00

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: No capital asset was created / acquired for Financial Year 2021 through CSR spend.

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): NA

Date: 28/12/2021  
Place: Jaipur

Sd/-  
**Deepak Baid**  
Managing Director  
DIN:03373264  
Address:B-114 A Dayanand Marg  
Tilak Nagar, Near water tank,  
Jaipur 302004 Rajasthan

Sd/-  
**AneeshaBaid**  
Director  
DIN: 07117678  
Address:B-114 A Dayanand Marg  
Tilak Nagar, Near water tank, Jaipur  
302004 Rajasthan

**ANNEXURE-II****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 for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
  - a) Name(s) of the related party and nature of relationship
  - b) Nature of contracts/arrangements/transactions
  - c) Duration of the contracts/arrangements/transactions
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - e) Justification for entering into such contracts or arrangements or transactions
  - f) Date of approval by the Board
  - g) Amount paid as advances, if any:
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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.	Mr. Deepak Baid- Managing Director	Unsecured Borrowing	During the Financial Year 2020-21	On Arm's Length Basis and in the ordinary course of business	Not Applicable	Not Applicable

For and on behalf of Board of Directors of  
**Laxmi India Finlease Private Limited**

Sd/-

**Deepak Baid**

Managing Director

DIN:03373264

Address:B-114 A Dayanand Marg  
Tilak Nagar, Near water tank,  
Jaipur 302004 Rajasthan

Sd/-

**Aneesha Baid**

Director

DIN: 07117678

Address:B-114 A Dayanand Marg  
Tilak Nagar, Near water tank,  
Jaipur 302004 Rajasthan

Date:28/12/2021

Place: Jaipur

**Form No.: MR-3**

**DRAFT SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 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,  
Laxmi India Finleasecap Private Limited  
2 DFL, Gopinath Marg,  
MI Road, Jaipur  
Rajasthan-302001

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Laxmi India Finleasecap Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Laxmi India Finleasecap Private Limited`s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the reporting period under audit)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the reporting period under audit)**



(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; **(Not applicable to the Company during the reporting period under audit) &**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not applicable to the Company during the reporting period under audit)**

(vi) Company has generally complied with the following laws applicable specifically to the Company:

(a) The Reserve Bank of India Act, 1934 and relevant directions, circulars and notifications made from time to time.

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

(i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the below qualification/disclaimer/adverse remark:

1. As per regulation 50(1) of SEBI (LODR) Regulation 2015, The listed entity shall give prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures shall be payable. The Company paid interest on 14.10.2020 but prior intimation regarding same is given late to Stock Exchange, i.e. on 14.10.2020.
2. As per Regulation 60 of SEBI (LODR) Regulation 2015, the listed entity shall give prior intimation to the stock exchange(s) at least 7 working days in advance of record date. The record date was fixed on 28.09.2020 but the intimation regarding same was given on 14.10.2020.
3. It has been represented us that the Board of directors has earlier approved their financial statements for the financial year ended on 31st March, 2021 under IGAAP in its Board Meeting dated 31st May, 2021. Now, the Board has decided to prepare its financial statements for the financial year ended on 31<sup>st</sup> March, 2021 as per IndAS and consequent upon approval of financial statements as per IndAS, the said financial statements prepared under IGAAP along-with auditor's report thereon be treated as withdrawn/revoked.

**I further report that,** during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes were made in the composition of the Board of Directors during the period under review.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent atleast seven days in advance, 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.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the Company has:

- a) issued 50 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each and the same are listed and admitted to dealings on the BSE Limited effective from July 22, 2020.
- b) issued 100 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each and the same are listed and admitted to dealings on the BSE Limited effective from September 22, 2020.
- c) issued 50 Non-Convertible Debentures on Private Placement Basis of Rs. 10,00,000/- each and the same are listed and admitted to dealings on the BSE Limited effective from December 09, 2020.
- d) issued 2000 unlisted Non-Convertible Debentures on a Private Placement basis of Rs. 1,00,000/- each and the same are from March 31, 2021.

**For Pinchaa & Co.**

*Company Secretaries*

Firm's Unique Code No. P2016RJ051800

Firm's P.R. Certificate No. 832/2020

SD/-

Akshit Kr. Jangid

Partner

M.No. FCS 11285

C. P. No.:16300

Dated: 28.12.2021

Place: Jaipur

UDIN: F011285C001975005

(This report is to be read with my letter of even date which is annexed as Annexure-A which forms an integral part of this report.)

## Annexure-A

To  
The Members,  
Laxmi India Finleaseap Private Limited  
2 DFL, Gopinath Marg,  
MI Road, Jaipur  
Rajasthan-302001

The above report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Whereever required, I 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. My 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 Pinchaa & Co.**

*Company Secretaries*

Firm's Unique Code No. P2016RJ051800

Firm's P.R. Certificate No. 832/2020

SD/-

Akshit Kr. Jangid

Partner

M.No. FCS 11285

C. P. No.:16300

Dated: 28.12.2021

Place: Jaipur

UDIN: F011285C001975005

**DISCLOSURES OF REMUNERATION TO DIRECTORS & KMP [PURSUANT TO SECTION 197(12) OF THE ACT READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]**

- i. The Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the financial year ended 31<sup>st</sup> March 2021 are:-

Sr. No.	Name of Director/CFO/CEO/ Company Secretary	Designation	Ratio of remuneration to median remuneration of the Employee of the Company	Percentage increase in the remuneration for the Financial Year 2020-21
1	Deepak Baid	Managing Director	78.21:1	16.67%
2	Aneesha Baid	Whole Time Director	47.49:1	41.67%
3	Prem Devi Baid	Whole Time Director	39.11:1	16.67%
4	Piyush Somani	CFO	10.12:1	7.68%
5	Anurag Jain	CS	3.44:1	79.52%

\* Median remuneration of the Employees of the Company assumed to be Rs. 1.79 Lacs.

- i. There was increase of 1.13% in the median remuneration of employees in the financial year 2020-21 as Median remuneration of the Employees of the Company has increased from Rs. 1.77 Lakhs to Rs. 1.79 Lakhs.
- ii. Number of Permanent Employees on the payroll as on 31<sup>st</sup> March 2021 of the Company are 365 (Three Hundred and Sixty Five only).
- iii. Average Percentile increase in the Salaries of the Employees other than Managerial Personnel is 13% approx. and increase in salary of Managerial Personnel during last financial year is disclosed in point no.(i).
- iv. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH [RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016] AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2021:**

**A. Statement showing particulars of Top Ten employees in terms of remuneration drawn in the Financial Year 2020-21:**

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1	Deepak Baid	Managing Director	Full time Employment	41	Deepak Finance & Leasing Co	Founder & Promoter	04-02-2011	B. Com MBA	22 years	1,40,00,000	7.25%	Managing Whole Operation of the company
2	Aneesha Baid	Executive Director	Full time Employment	40	Deepak Finance & Leasing Co	Director	31-12-2016	B. Com	8 years	85,00,000	3.67%	Managing Strategic Decision Making
3	Prem Devi Baid	Executive Director	Full time Employment	71	Deepak Finance & Leasing Co	Director	04-02-2011	B. Com	14 years	70,00,000	4.12%	Managing CSR, HR & Training Activities
4	Kuldeep Singh Sikarwar	National Head	Full time Employment	39	Hinduja Housing Finance Ltd	Regional Head-Sales	04-May-20	MBA	12 years	20,43,871	-	Heading the Sales Operations- PAN India
5	Piyush Somani	Chief Financial Officer	Full time Employment	34	Ess Kay Fincorp Ltd	Sr Manager-Finance	01-Mar-19	CA, B. Com	10 years	18,11,980	-	Heading the Treasury & Financial Operations
6	Vaibhav Bumb	Risk Head	Full time Employment	32	Qdegree Services	Manager-Credit	11-Jul-19	CA, B. Com	9 years	13,44,716	-	Heading the Risk Department
7	Saurabh Agarwal	Senior Manager-Accounts	Full time Employment	28	Mount Maltbru Limited	Sr Manager-Finance & Taxation	13-May-19	CA, B. Com	5 years	10,07,629	-	Managing Accounting Operations
8	Vinod Kumar Raghuvanshi	State Business Head	Full time Employment	36	Jumbo Finvest India Limited	Area Sales Manager	01-Apr-20	MBA	11 years	9,87,137	-	Heading the Sales Operations- Madhya Pradesh
9	Sanjay Ojha	Senior Manager-Collection	Full time Employment	37	Au Small Finance Bank Ltd	Manager-Collection	03-Dec-18	B. Sc	13 years	9,33,474	-	Heading the Collection Operations
10	Neha Somani	Brand Manager	Full time Employment	33			01-Mar-20	MBA	1 year	9,05,340	-	Heading the Brand & Marketing Division

**B. Statement showing particulars of employees who were in employment throughout the Financial Year and are in receipt of remuneration of not less than Rs. 1,02,00,000/- Per Annum in aggregate.**

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1	Deepak Baid	Managing Director	Full time Employment	41	Deepak Finance & Leasing Co	Founder & Promoter	04-02-2011	B.Com MBA	22 years	1,40,00,000	7.25%	Managing Whole Operation of the company

**C. Statement showing particulars of employees who were in employment for a part of the financial year, are in receipt of remuneration of not less than Rs. 8,50,000/- Per Month.**

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1.	Not Applicable											

**NOTE:**

1. During the year there are no such employee who were employed throughout the year or part thereof and was in receipt of remuneration in the year in excess of that drawn by Managing Director and Whole Time Director and holds by himself, or along with his spouse and dependent children not less than two percent of the equity shares of the Company.
2. The employment of above employees is governed by the policies of the Company which are applicable to all employees of the Company.
3. The percentage of equity shares of the Company held by the above employees: NA
4. The nature of employment in all the above cases is contractual.NA
5. All the above employees are not relative of any Director.: NA
6. Name of Directors who are relative: Shri Deepak Baid (Self), Smt. Prem Devi Baid (Mother) and Smt. Aneesha Baid (Wife) are relative.



**FINANCIAL STATEMENTS**  
**OF**  
**LAXMI INDIA FINLEASECAP**  
**PRIVATE LIMITED**  
**FOR**  
**THE FINANCIAL**  
**YEAR 2020-21**



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**Independent Auditor's Report on the Standalone Ind AS Financial Statements**

To  
The Members of  
**Laxmi India Finleasecap Private Limited**

**Report on the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of **Laxmi India Finleasecap Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### **Emphasis of Matter Paragraph**

We invite attention to Note No. 44 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31st March 2021, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our Opinion is not modified on the above matters.

### **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 of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>S.No.</b>	<b>Key Audit Matters</b>	<b>Auditor's Response</b>
<b>1</b>	<p><b>Transition to Ind AS accounting framework</b></p> <p>In accordance with the roadmap for first time implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2020 with transition date of April 1, 2019. For periods up to and including the year ended March 31, 2020, the Company had prepared and presented its financial statements as required under the erstwhile generally accepted accounting principles in India. In order to give effect of the transition to Ind AS financial statements for the year ended March 31, 2021, together with the comparative financial information for the previous year ended March 31, 2020 and the transition date balance sheet as at April 1, 2019 have been prepared under Ind AS.</p> <p>The transition involved significant changes to the Company's policies and processes relating to financial reporting, including generation of reliable and supportable information. Further, the</p>	<p><b>Our audit procedures are as under:</b></p> <ul style="list-style-type: none"><li>• Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards.</li><li>• Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements;</li><li>• Reviewed the exemptions availed by the Company from certain requirements under Ind AS;</li><li>• Obtained an understanding of the governance over the determination of key judgments;</li><li>• Evaluated and tested the key assumptions and judgments adopted by management;</li><li>• Assessed the disclosures made against the relevant Ind AS; and</li></ul>



	<p>management has exercised significant judgement for giving the effect of principles of First-time Adoption of Indian Accounting Standards (Ind AS 101), as at transition date including election of available options for transition of balances as at transition date from the erstwhile generally accepted accounting principles to Ind AS and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under extant Reserve Bank of India ('RBI') directions.</p>	<ul style="list-style-type: none"> <li>• Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.</li> </ul>
<p>2</p>	<p><b>Impairment of Loans -Expected Credit Loss (ECL)</b></p> <p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans &amp; Advances using the Expected Credit Losses ("ECL") approach. In the process, a significant degree of judgement has been applied by the management for calculation of Expected Credit Losses ("ECL")</p>	<p><b>Our audit procedures are as under:</b></p> <ul style="list-style-type: none"> <li>• Considered the Company's accounting policies for impairment of loans and receivables and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines").</li> <li>• Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109.</li> <li>• Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.</li> <li>• Testing of management review controls over measurement of impairment allowances and disclosures in financial statements.</li> <li>• Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data.</li> </ul>



		<ul style="list-style-type: none"><li>We have checked the stage classification as at the balance sheet date as per definition of default of the company;</li></ul>
3	Provision for Non-Performing Assets as per RBI Circulars is a Key Audit Matter. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective provisions, write-offs against these loans on asset quality and provision of the Company.	<p>We have checked the provision on Loan Assets as per IRAC norms as required under RBI circular. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI.</p> <p>For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.</p>

#### **Other Matters**

*This Board of directors have earlier approved their financial statements for the year ended 31<sup>st</sup> March 2021 under IGAAP in there board meeting dated 31<sup>st</sup> May 2021 and audit report dated 31<sup>st</sup> May 2021 on the same was also issued, however consequent to decision of the board of directors of the company to adopt IndAS from Fy 2020-21 the said approved financial statements under IGAAP stands withdrawn as stated in Note No. 66 to the financial statements and the audit report on the same dated 31<sup>st</sup> May 2021 is also revoked and should be treated as null & void.*

*The comparative financial information of the company for the year ended 31<sup>st</sup> March 2020 and the transition date opening balance sheet as at 1<sup>st</sup> April 2019 included in the financial statements, are based on the previously published standalone financials results for the said periods prepared in accordance with the Companies (Accounting Standards) Rules. 2006 and other accounting principles generally accepted in India as adjusted for the differences in the accounting principles adopted by the company all transition to the Ind AS, said comparative financial information for financial year 2019-20 and the transition date opening balance sheet as on 1<sup>st</sup> April 2019 has been prepared by management and the same has not been audited by us.*

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone Ind AS financial statements and our auditors' report thereon. These reports are expected to be made available to us after the date of this audit report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the standalone 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 standalone 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 report that fact. We have nothing to report in this regard.

#### **Management’s Responsibility for the standalone Financial Statements**

The Company’s management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, state of affairs, profit (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 Indian Accounting Standards (Ind AS) 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 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company’s financial reporting process.

#### **Auditor’s Responsibility for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- 
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal 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 with reference to standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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### **Report on Other Legal & Regulatory Requirement**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 purpose 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 Standalone 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 as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provision of section 197(16) of Company Act, 2013 are not applicable to the Company and hence not commented upon.
  - 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 of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 26.1 to the standalone financial statements.



- ii. The Company did not have any long-term contract including derivatives contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN : 003660C**

**Sd/-**

**(CA Vivek Gupta)**  
**Partner**  
**Membership No: 400543**  
**UDIN: 21400543AAAALA8076**

**Date: 28<sup>th</sup> December 2021**  
**Place: Jaipur**



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**Annexure B of the Independent Auditor's Report ( referred to in Paragraph 3 under ' Report on other Legal & Regulatory Requirements 'Section of our Report of even date for the year ended 31 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”)**

We have audited the internal financial controls over financial reporting of **Laxmi India Finleasecap Private Limited** (“the Company”), as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

**Auditor's Responsibility**

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”) issued by the ICAI 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 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.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) 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 financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, 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.

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN: 003660C**

Sd/-

**(CA Vivek Gupta)**  
**Partner**  
**Membership No: 400543**  
**UDIN : 21400543AAAALA8076**

**Date : December 28<sup>th</sup>, 2021**  
**Place: Jaipur**



**Annexure A to the Independent Auditors' Report of Laxmi India Finleaseap Private Limited**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone IndAS financial statements for the year ended 31 March 2021, we report that:

- (i)
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, No material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- (ii) The company was not having any inventories during the year therefore clause (a) & (b) are not applicable to the company
- (iii) The Company has not granted loans to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013('the Act'). Hence Clause (iii)(a), (b), (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security,
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- (vi) According to the information & explanation given to us the Central Govt. has not prescribed the maintenance of cost record under section 148(1) of the Companies Act 2013, in respect of the line of business of the company.
- (vii)
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues to the extent applicable have been regularly deposited during the year by the Company with the appropriate authorities and there are no dues pertaining to above referred taxes which was in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.



- b. According to the information and explanation given to us, there are no pending dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Goods & Service Tax which are not deposited on account of dispute except

Name of Statute	Nature of Dues	Period to which amount related	Forum where Dispute is pending	Amount as per declaration under Vivad Se Vishwas Scheme** (Rs in Lacs)
Income tax Act 1961	Income Tax	AY 2012-13	CIT (Appeals)	29.12 Lacs
	Income Tax	AY 2014-15	CIT (Appeals)	168.72 Lacs
	Income Tax	AY 2015-16	CIT (Appeals)	86.99 Lacs

\*\* The company has filed a declaration under Vivad Se Vishwas Scheme for settlement of above referred demand and the last date to deposit the tax / Interest amount is 30<sup>th</sup> June 2021

Name of Statute	Nature of Dues	Period to which amount related	Forum where Dispute is pending	Amount (Rs in Lacs)
Income tax Act 1961	Income Tax	AY 2013-14	DCIT	11.38 Lacs

- (viii) According to the information and explanation given to us the company has not defaulted in repayment of loan or borrowing to financial institution, banks, government or debenture holders.
- (ix) Based upon the audit procedures performed, the information and explanations given by the management and to the best of our knowledge, the company has not raised moneys by way of initial public offer or further public offer including debt instruments but through term Loans and term loans were applied for the purposes for which those are raised.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, section 197 is not applicable on private limited companies, hence not commented upon.



- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment / private placement of Shares / Convertible debentures hence this clause is not applicable.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) The company is a Non Banking Financial Company – non deposit taking non systematically important and the same is registered under Section 45-IA of the Reserve Bank of India Act 1934 vide certificate number B-05.07063

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN : 003660C**

**Sd/-**

**(Vivek Gupta)**  
**Partner**  
**Membership No: 400543**  
**UDIN : 21400543AAAALA8076**

**Date : December 28<sup>th</sup>, 2021**  
**Place : Jaipur**

**Laxmi India Finleasecap Private Limited**  
**Balance Sheet**  
**as at 31st March 2021**

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>I. ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and Cash Equivalents	2	5,218.23	2,489.22	1,529.78
(b) Bank balance other than Cash and cash equivalents	3	1,286.47	2,793.05	2,877.53
(c) Loans	4	41,537.23	37,530.83	30,578.65
(d) Investments	5	101.22	-	-
(e) Other Financial Asset	6	2,281.51	1,917.76	1,630.31
<b>Total Financial Assets</b>		<b>50,424.66</b>	<b>44,730.86</b>	<b>36,616.27</b>
<b>(2) Non-financial Assets</b>				
(a) Deferred tax Assets (Net)	7	70.73	79.96	40.40
(b) Property, Plant and Equipment	8	520.38	660.19	632.84
(c) Intangible Assets under development	9	3.85	-	-
(d) Other Intangible Assets	10	4.24	3.12	2.43
(e) Other non-financial assets	11	149.46	133.98	141.25
<b>Total Non-financial Assets</b>		<b>748.66</b>	<b>877.25</b>	<b>816.92</b>
<b>Total Assets</b>		<b>51,173.32</b>	<b>45,608.11</b>	<b>37,433.19</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>(1) Financial Liabilities</b>				
(a) Debt Securities	12	3,926.29	-	-
(b) Borrowings (Other than Debt Securities)	13	35,172.71	36,258.80	27,304.41
(c) Other Financial Liabilities	14	1,764.45	790.15	2,955.22
<b>Total Financial Liabilities</b>		<b>40,863.45</b>	<b>37,048.95</b>	<b>30,259.63</b>
<b>(2) Non-Financial Liabilities</b>				
(a) Provisions	15	289.74	55.94	169.05
(b) Other non-financial liabilities	16	53.58	95.60	102.95
<b>Total Non-Financial Liabilities</b>		<b>343.32</b>	<b>151.54</b>	<b>272.00</b>
<b>Total liabilities</b>		<b>41,206.77</b>	<b>37,200.49</b>	<b>30,531.63</b>
<b>(3) Equity</b>				
(a) Equity Share capital	17	1,431.28	1,363.71	1,286.79
(b) Other Equity	18	8,535.27	7,043.91	5,614.77
<b>Total Equity</b>		<b>9,966.55</b>	<b>8,407.62</b>	<b>6,901.56</b>
<b>Total Equity and Liabilities</b>		<b>51,173.32</b>	<b>45,608.11</b>	<b>37,433.19</b>
<b>Significant Accounting Policies</b>	<b>1</b>			

The accompanying notes 1 to 66 form an integral part of these financial statements

As per our Report of even date attached  
**For, A. Bafna & Company**  
Chartered Accountants  
Firm Registration No.-003660C

For and on Behalf of the Board of Directors of  
**Laxmi India Finleasecap Private Limited**

Sd/-  
**CA Vivek Gupta**  
Partner  
Membership No.-400543

Sd/-  
**Deepak Baid**  
Managing Director  
DIN: 03373264

Sd/-  
**Aneesha Baid**  
Director  
DIN: 07117678

Place: Jaipur  
Date: Dec 28, 2021

Sd/-  
**Piyush Somani**  
Chief Financial Officer

Sd/-  
**Gajendra S Shekhawat**  
Company Secretary

**Laxmi India Finleasecap Private Limited**  
**Statement of Profit and Loss**  
**for the year ended 31st March, 2021**

(₹ in lakhs)

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
	<b>Revenue from Operations</b>			
	Interest Income	19	8,750.31	8,078.46
	Fees and commission Income	20	106.62	151.46
	Net Gain/(Loss) On Fair Value Changes	21	19.97	6.61
I	<b>Total Revenue from Operations</b>		8,876.90	8,236.53
II	Other Income	22	0.70	0.06
III	<b>Total Income (I+II)</b>		<b>8,877.60</b>	<b>8,236.59</b>
IV	<b>Expenses:</b>			
	Finance Costs	23	4,950.54	4,448.36
	Impairment on financial instruments	24	160.56	632.51
	Employee Benefits Expense	25	1,292.88	1,056.34
	Commission Expenses		4.67	19.64
	Depreciation & Amortisation Expense	26	90.43	95.03
	Other Expenses	27	603.48	636.92
	<b>Total Expenses (IV)</b>		<b>7,102.56</b>	<b>6,888.80</b>
V	<b>Profit/(Loss) before Exceptional Items &amp; Tax (III-IV)</b>		<b>1,775.04</b>	<b>1,347.79</b>
VI	<b>Exceptional Items</b>		-	-
VII	Profit/(Loss) Before Tax (V-VI)		<b>1,775.04</b>	1,347.79
VIII	<b>Tax Expense:</b>			
	Current Tax		429.82	395.30
	Deferred Tax		5.88	(43.37)
	Income Tax for Earlier Year		290.37	1.14
	<b>Total Tax Expenses (VIII)</b>		<b>726.07</b>	<b>353.07</b>
IX	<b>Profit/(loss) for the year (VII-VIII)</b>		<b>1,048.97</b>	<b>994.72</b>
X	<b>Other Comprehensive Income</b>			
	<b>(A) Items that will not be reclassified to profit or loss</b>			
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		13.29	15.15
	- Income tax on above		(3.35)	(3.81)
	Subtotal(A)		9.94	11.34
	<b>(B) Items that will be reclassified to profit or loss</b>			
	Subtotal(B)			
XI	<b>Total Other Comprehensive Income for the year (A+B)</b>		<b>9.94</b>	<b>11.34</b>
XII	<b>Total Comprehensive Income for the year (IX+XI)</b>		<b>1,058.91</b>	<b>1,006.06</b>
XIII	<b>Earnings per Equity Share:</b>	28		
	Basic (in ₹)		7.51	7.50
	Diluted (in ₹)		7.51	7.50
	Nominal Value of Equity Shares		10.00	10.00
	<b>Significant Accounting Policies</b>	1		
	<b>The accompanying notes 1 to 66 form an integral part of these financial statements</b>			

As per our Report of even date attached  
**For, A. Bafna & Company**  
Chartered Accountants  
Firm Registration No.-003660C

For and on Behalf of the Board of Directors of  
**Laxmi India Finleasecap Private Limited**

Sd/-  
**CA Vivek Gupta**  
Partner  
Membership No.-400543

Sd/-  
**Deepak Baid**  
Managing Director  
DIN: 03373264

Sd/-  
**Aneesha Baid**  
Director  
DIN: 07117678

Place: Jaipur  
Date: Dec 28, 2021

Sd/-  
**Piyush Somani**  
Chief Financial Officer

Sd/-  
**Gajendra S Shekhawat**  
Company Secretary

**Laxmi India Finleasecap Private Limited**  
**Standalone Statement of Changes In Equity**  
**for the year ended 31 March, 2021**

**A. Equity Share Capital**

(₹ in lakhs)

Particulars	Number of shares	Amount
As at 1st April 2019	128.68	1,286.79
Changes in equity share capital during year ended 31st March 2020	7.69	76.92
As at 31st March 2020	136.37	1,363.71
Changes in equity share capital during year ended 31st March 2021	6.76	67.57
As at 31st March 2021	143.13	1,431.28

**B. Other Equity**

Year ended 31st March 2021

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance As at 1st April, 2020	533.87	4,292.75	40.24	2,177.05	7,043.91
Profit for the year				1,048.97	1,048.97
Other Comprehensive Income (expense)(net of tax)				9.94	9.94
<b>Total Comprehensive Income for the Year</b>	533.87	4,292.75	40.24	3,235.96	8,102.82
Additions during the year	211.78		-		211.78
Premium on issue of shares		432.45			432.45
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(211.78)	(211.78)
Dividend Paid (including Dividend tax)					-
Balance as at 31st March, 2021	745.65	4,725.20	40.24	3,024.18	8,535.27

Year ended 31st March 2020

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance As at 1st April, 2019	332.66	3,869.67	40.24	1,372.20	5,614.77
Profit for the year				994.72	994.72
Other Comprehensive Income (expense)(net of tax)				11.34	11.34
<b>Total Comprehensive Income for the Year</b>	332.66	3,869.67	40.24	2,378.26	6,620.83
Additions during the year	201.21				201.21
Premium on issue of shares		423.08		-	423.08
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(201.21)	(201.21)
Utilised during the year					-
Dividend Paid (including Dividend tax)					-
Balance as at 31st March, 2020	533.87	4,292.75	40.24	2,177.05	7,043.91

The accompanying notes 1 to 66 form an integral part of these financial statements

As per our Report of even date attached  
**For, A. Bafna & Company**  
Chartered Accountants  
Firm Registration No.-003660C

For and on Behalf of the Board of Directors of  
**Laxmi India Finleasecap Private Limited**

Sd/-  
**CA Vivek Gupta**  
Partner  
Membership No.-400543

Sd/-  
**Deepak Baid**  
Managing Director  
DIN: 03373264

Sd/-  
**Aneasha Baid**  
Director  
DIN: 07117678

Place: Jaipur  
Date: Dec 28, 2021

Sd/-  
**Piyush Somani**  
Chief Financial Officer

Sd/-  
**Gajendra S Shekhawat**  
Company Secretary



**Laxmi India Finleasecap Private Limited**  
**Statement of Cashflows**  
**for the year ended 31st March, 2021**

(₹ in lakhs)

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
<b>A. Cash Flow from Operating Activity</b>				
<b>Profit before tax</b>		1,775.04		1,347.79
<b>Adjustments for:</b>				
Depreciation, Amortisation & Impairment	90.43		95.03	
Fair Value change of Investments	(0.01)			
Impairment on financial instruments	160.56		632.51	
Finance Cost on Lease Liability	1.63		1.44	
Rent Concession due to COVID 19	(0.59)		-	
		252.02		728.98
<b>Operating profit before working capital changes</b>		2,027.06		2,076.77
<b>Adjustment for :</b>				
(Increase)/decrease in Loans	(4,168.49)		(7,583.35)	
(Increase)/decrease in other financial assets	(363.75)		(287.45)	
(Increase)/decrease in Bank balance other than Cash and cash equivalents	1,506.58		84.48	
(Increase)/decrease in non financial assets	81.90		7.27	
Increase/(decrease) in other financial liabilities	970.50		(2,178.81)	
Increase/(decrease) in non financial liabilities	(42.02)		(7.35)	
Increase/(decrease) in provisions	18.51		22.53	
<b>Total of changes in working capital</b>		(1,996.77)		(9,942.68)
<b>Cash generated from operations</b>		30.29		(7,865.91)
Income Tax Paid		(490.09)		(518.26)
<b>Net Cash from/(used in) Operating Activity (A)</b>		(459.80)		(8,384.17)
<b>B. Cash Flow from Investing Activity</b>				
Purchase of property, plant and equipment and intangible assets(including in progress assets)		(40.07)		(104.05)
Sale of Investments				
Purchase of Investments		(101.21)		-
<b>Net Cash Flow from/(used in) Investing Activity (B)</b>		(141.28)		(104.05)
<b>C. Cash Flow from Financing Activity</b>				
Issue of equity shares		67.57		76.92
Share Premium on issue of equity shares		432.45		423.08
Proceeds from borrowings				
Proceeds from / (Repayment of) Borrowings		(1,086.06)		8,954.39
Proceeds from / (Repayment of) debt securities		3,926.29		-
Payment of Lease Liabilities		(10.16)		(6.73)
<b>Net Cash Flow from Financing Activity (C)</b>		3,330.09		9,447.66
<b>Net increase in cash and cash equivalents (A+B+C)</b>		2,729.01		959.44
Cash and cash equivalents at the beginning of the year		2,489.22		1,529.78
Cash and cash equivalents at the close of the year		5,218.23		2,489.22
<b>Net increase in cash and cash equivalents</b>		2,729.01		959.44

**Cash and Cash Equivalent includes:-**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Cash in hand	357.67	95.83	53.08
Balances with Bank	4,860.55	2,393.39	1,476.70
<b>Total</b>	<b>5,218.22</b>	<b>2,489.22</b>	<b>1,529.78</b>

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Refer Note 30 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

As per our Report of even date attached  
**For, A. Bafna & Company**  
Chartered Accountants  
Firm Registration No.-003660C

For and on Behalf of the Board of Directors of  
**Laxmi India Finleasecap Private Limited**

Sd/-

**CA Vivek Gupta**  
Partner  
Membership No.-400543

Place: Jaipur  
Date: Dec 28, 2021

Sd/-

**Deepak Baid**  
Managing Director  
DIN: 03373264

Sd/-

**Piyush Somani**  
Chief Financial Officer

Sd/-

**Aneesha Baid**  
Director  
DIN: 07117678

Sd/-

**Gajendra S Shekhawat**  
Company Secretary

# Laxmi India Finleasecap Private Limited

## Notes to Financial Statements for the Year ended 31st March,2021

### 1 Company Overview and Significant Accounting Policies

#### A Company Overview

Laxmi India Finleasecap Private Limited is a private company domiciled in India and incorporated under the provisions of Companies Act, 1956 on May 10, 1996. The Company had its registered office at 33, ChittaRanjan Avenue, 9th Floor, Room No. 908A, Kolkata, West Bengal, India at beginning of FY 2020-21, which was subsequently shifted at 2, DFL Tower, GopinathMarg, M I Road, Jaipur, Rajasthan, India vide MCA approval dated Dec 1, 2020. Subsequently Corporate Identification Number(CIN) was changed to U65929RJ1996PTC073074 w.e.f Dec 1, 2020

The Company is holding 'CoR' as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and is primarily engaged in the lending business. Original Certificate bearing no. B-24.02353 was given on March 28, 2001 at RBI, New Delhi which was later on cancelled and a fresh Certificate bearing no. B-05.07063 was issued at RBI, Kolkata. Subsequent to shifting of its Registered Office from Kolkata to Jaipur, the company had applied with RBI for change of jurisdiction from RBI, Kolkata to RBI, Jaipur, on which approval was given and a fresh certificate bearing no. B-10.00318 dated Mar 15, 2021, was issued by RBI Jaipur after cancelling the previous certificate.

#### B Basis of Preparation and Presentation

##### 1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the year ended March 31, 2020, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP'). These financial statements for the year ended March 31, 2021 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS101 First-time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition of Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 47.

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS Financial Statements.

##### 2 Basis of Measurement:

The financial statements have been prepared on a going concern and under the historical cost basis, except for the derivatives financial instruments and following assets and liabilities:

Certain financial assets and liabilities measured at Fair value/Amortised cost (refer accounting policy regarding financial instruments)

Non-Current Assets held for sale measured at the lower of its carrying amount and fair value less costs to sell; and

Employee's Defined Benefit Plan obligations as per actuarial valuation.

The methods used to measure fair values are discussed further in notes to financial statements.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III of the Companies Act, 2013. The company has disclosed regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) has been provided separately in the financial statements.

##### 3 Functional and presentation currency :

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decimals) as per the requirements of Schedule III, unless otherwise stated.

##### 4 Use of Estimates and Judgements :

The preparation of financial statements with Ind AS require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

## C Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2019, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

### 1 Property Plant & Equipment

#### 1.1 Initial recognition and measurement

An item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and Expenses, incidental to the operations, not necessary in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

#### 1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### 1.3 Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on Derecognition of an item of Property, Plant and Equipment are determined by comparing net disposable proceeds with the carrying amount of Property, Plant and Equipment and are recognized in the statement of profit and loss.

#### 1.4 Depreciation/Amortization

Depreciation for all property, plant and equipment is being provided on Written Down Value Method as per the estimates of useful life specified in Schedule II of the Companies Act, 2013. The Company has estimated 5% residual value for all block of asset at the end of useful life. The management believes that useful life are realistic and reflect fair approximation of the period over which asset likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

Improvements of the lease hold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 2 Intangible assets and intangible assets under development :

#### 2.1 Initial recognition and measurement

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

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

#### 2.2 Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

#### 2.3 Amortization

Intangible assets having definite life are amortized on straight line method over their useful lives. If life of any intangible asset is indefinite then it is not amortized and tested for impairment at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

#### 2.4 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3

### **Revenue Recognition- Interest Income**

3.1

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).

The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on the gross carrying amount (i.e. carrying amount net off loss allowance)

3.2

### **Income from Direct Assignment transactions**

Income from direct assignment transactions includes the following-

The difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognised) and the consideration received (including any new asset obtained and any new liability assumed).

Gain arising out of direct assignment transactions which comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss.

3.3

### **Fees and Commission Income**

Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable.

Income from other financial charges including late payment interest are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges ,late payment interest which are accounted as and when received.

#### **The new revenue recognition model prescribed by Ind AS 115 consists of below five steps:**

- a Identify the contract(s) with a customer: A contract is an agreement between the two or more parties that creates enforceable right and legal obligations set out the criteria for every contract that must be met. A contract can be either oral or written. However, oral contracts are more challenging to enforce and should be avoided, if possible.
- b Identify the separate performance obligations in the contract: Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
- c Determine the transaction price :The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.
- d Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
- e Recognize revenue when (or as) each performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer)

For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

4

### **Non-current assets (or disposal groups) classified as held for sale:**

Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

An Asset is classified as "Asset held for sale" when the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for sale". Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.

5

### **Impairment of Non-Financial Assets:**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets other than deferred tax 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## 6 **Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of leases recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## 7 **Provisions, Contingent Liabilities and Contingent Assets:**

### 7.1 **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an 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. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

### 7.2 **Contingent Liabilities**

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 liabilities are reviewed at each balance sheet date.

### 7.3 **Contingent Assets**

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable

## 8 **Leases:**

### 8.1 **(i) The Company as lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(a) The contract involves the use of an identified asset

(b) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(c) The Company has the right to direct the use of the asset.

**(ii) Measurement and recognition**

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has given impact analysis of Lease on financial results in note no 35 "Transition to Ind AS 116 on Lease"

**8.2 The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on either a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

**9 Segment Reporting: Identification of Segments:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**10 Employee benefits :**

**10.1 Short Term Benefits**

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

**10.2 Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

**(i) Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**(ii) Defined benefit plans :**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme is considered as a Defined benefit plan.

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is determined annually on the basis of Actuarial Valuation using the projected unit credit method. The company does not have any fund for payment of gratuity.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Past service cost is recognised in the Statement of Profit and 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.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

Net interest expense or income.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

The defined 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.

### 10.3 Termination Benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

## 11 Income Taxes

Income tax expense comprises current tax and deferred tax.

### 11.1 Current Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws

used to compute the amount are those that are enacted or substantively enacted and as applicable at the reporting date and any adjustment to tax payable in respect of previous years. Current tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognized in OCI or Equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

### 11.2 (i) Deferred Tax

Deferred tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts for financial reporting purposes, and are accounted for using the balance sheet approach.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

### (ii) Minimum Alternate Tax (MAT)

Company has moved to new tax regime, where MAT provisions are not applicable. Hence no adjustment pertaining to MAT was required

- 12 Material prior period errors :**  
Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.
- 13 Earnings per Share :**  
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.  
Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.
- 14 Financial Instruments**  
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- 14.1 Initial Recognition and Measurement**  
Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.  
If the transaction price differs from fair value at initial recognition, the Corporation will account for such difference as follows:  
• If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition;  
• In all other cases, the fair value will be adjusted to bring it in line with the transaction price.  
After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.  
  
The Company recognises a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed.  
The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments.  
The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.
- 14.2 Financial assets**  
**(i) Subsequent measurement of financial assets**  
The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:  
(I) The entity's business model for managing the financial assets and  
(ii) The contractual cash flow characteristics of the financial asset.
- a Financial Assets at Amortised Cost**  
A financial asset is measured at the amortised cost if both the following conditions are met:  
(a) It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and  
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.  
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.  
The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.  
  
In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.
- b Financial Assets at fair value through other comprehensive income (FVTOCI)**  
A debt instrument is classified as at the FVTOCI if both of the following criteria are met:  
(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and  
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

**c Financial Assets at fair value through the statement of profit and loss (FVTPL)**

Any financial asset which is not classified in any of the above categories is subsequently measured at FVTPL.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

**(ii) Modification of financial assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

**(iii) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

- It 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 ('eventual recipients'), 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 interstate 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 year between the collection date and the date of required remittance to the event. A transfer only qualifies for derecognition if either:

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

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

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

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.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the statement of profit and loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

#### 14.3 **Impairment of financial assets**

The Company recognises loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Other financial assets; and
- Loan commitments.

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as “Impairment on financial instruments”.

The impairment requirements for the recognition and measurement of ECL are equally applied to loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Corporation has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

##### 14.3.1 **Staging of Loans**

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

###### **Stage 1**

When loans are first recognised, the Corporation recognises an allowance based on 12 months ECL. The company classifies all standard advances and advances upto 30 days default under this category.

Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

###### **Stage 2**

When a loan has shown a significant increase in credit risk since origination, the Corporation records an allowance for the life time expected credit losses. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

###### **Stage 3**

When loans are considered credit-impaired, the Corporation records an allowance for the life time expected credit losses. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

#### 14.3.2 Definition of default

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

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

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

#### 14.3.3 Determination of Expected Credit Loss ("ECL")

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

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

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

#### 14.3.4 The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The brief methodology of computation of ECL is as follows:

##### (1) Probability of default (PD)

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

PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used which is computed based on survival analysis.

For Stage III credit impaired accounts, 100% PD is taken.

##### (2) Loss Given Default (LGD)

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

##### (3) Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date. It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown

#### 14.3.5 Significant increase in credit risk

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

#### 14.3.6 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably

#### 14.3.7 Collateral repossessed

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value. The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered equivalent to Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans

#### 14.4 Write-offs

Financial assets are written off in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss

#### 14.5 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 14.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

#### 14.7 Financial liabilities

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

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### (ii) Subsequent measurement of financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost as appropriate.

##### a Financial liabilities at Amortised Cost :

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

##### (iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### 14.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 15 Fair value Measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

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

- (a) In the principal market for the assets or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the assets or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

**16 Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments and short term investments with original maturity of less than three month.

**D 1 Significant estimates and assumptions**

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

**(i) 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 objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

**(ii) Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives which is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Residual Value has been taken between 0-5%

Useful life of the all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013

**(iii) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

**(vi) Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

**(v) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

**(vi) Impairment losses on financial assets**

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's model, which assigns Probability of default (PD)s
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s.

**(vii) Fair value measurement:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(viii) Effective Interest rate method**

The Company's EIR methodology, recognises interest income using an internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

**E 1**

**Recent Accounting Pronouncements**

The MCA has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2020 on June 18, 2021, whereby the amendments to various Indian Accounting Standards has been made applicable with the immediate effect from the date of the notification i.e. effective for financial year ended March 21, 2022 onwards. The amendments made vide aforesaid notification dated June 18, 2021 are largely clarificatory and editorial in nature, the Company is evaluating the requirements of the same and its effect on the Financial Statements is not likely to be material.

**2 Cash & Cash Equivalents****(₹ in lakhs)**

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Cash on Hand	357.67	95.83	53.08
<b>Balances with Banks</b>			
In Current Accounts	2,092.74	2,207.26	1,125.27
In Cash Credit Accounts	299.35	-	4.06
In Overdraft Accounts	374.29	-	-
Cheque in Hand	86.49	185.63	347.37
Fixed Deposit	2,007.69	0.50	-
<b>Total</b>	<b>5,218.23</b>	<b>2,489.22</b>	<b>1,529.78</b>

**3 Bank Balances other than Cash & Cash Equivalents****(₹ in lakhs)**

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	1,286.47	2,793.05	2,877.53
<b>Total</b>	<b>1,286.47</b>	<b>2,793.05</b>	<b>2,877.53</b>

\*Other bank balance with bank includes deposits under lien aggregating to 1151.74 lakhs (P.Y.2658.32 lakhs) i.e. under lein for overdraft facilities aggregating to 7.28 lakhs (P.Y. 2000 lakhs), under lien for Borrowings aggregating to 1144.46 lakhs (P.Y. 658.32 lakhs) and under lien for PTC Arrangements aggregating to 134.73 lakhs (P.Y. 134.73 lakhs)

**4 Loans****(₹ in lakhs)**

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>(A)</b>			
<b>Term Loans</b>			
<b>Secured</b>			
Total Gross	41,191.21	37,369.00	30,139.22
Less: Impairment loss allowance	(672.92)	(600.79)	(130.06)
Total Net	40,518.29	36,768.21	30,009.16
<b>Unsecured</b>			
Total Gross	1,092.10	842.46	578.84
Less: Impairment loss allowance	(73.17)	(79.84)	(9.36)
Total Net	1,018.94	762.62	569.49
<b>(B)</b>			
<b>Loans in India</b>			
Public Sector	-	-	-
Others	42,283.32	38,211.46	30,718.07
<b>Total Gross</b>	42,283.32	38,211.46	30,718.07
Less: Impairment loss allowance	(746.09)	(680.63)	(139.42)
<b>Total Net</b>	<b>41,537.23</b>	<b>37,530.83</b>	<b>30,578.65</b>

- 4.1 Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or hypothecation of Vehicle/Receivables.
- 4.2 The company has given impairment assessment and measurement approach in note no. 1
- 4.3 The company has defined risk assessment model in note no. 37



## 5 Investments

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Investment in Mutual Funds	101.22	-	-
<b>Gross (A)</b>	<b>101.22</b>	-	-
Investments outside India	-	-	-
Investments in India	101.22	-	-
<b>Gross (B)</b>	<b>101.22</b>	-	-
<b>Total (A) to tally with (B)</b>			
Less: Allowance for Impairment loss (C)	-	-	-
<b>Total Net D = (A) -(C)</b>	<b>101.22</b>	-	-

## 6 Other Financial Asset

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Security Deposit	16.54	13.49	6.55
Fixed Deposits with Financial institutions/NBFC	1,581.97	1,542.78	1,473.18
Securitisation Income Receivable	21.36	3.65	44.76
TDS Receivable from NBFC/FI's	39.93	29.74	40.04
Staff Advance	20.58	8.52	40.49
Other Receivable	51.14	34.88	25.29
Receivables on Assigned Loans	549.99	284.70	-
<b>Total</b>	<b>2,281.51</b>	<b>1,917.76</b>	<b>1,630.31</b>

## 7 Deferred Tax Assets(Net)

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>Deferred Tax Assets, on account of</b>			
Impact of EIR adjustments on financial assets	-	48.69	-
Depreciation and Amortisation	18.47	14.84	8.47
Expenses deductible on payment basis	6.15	1.39	-
Provision for Employee benefits	8.85	7.54	6.57
Provision for Undrawn Loan Commitment	0.08	0.47	0.15
Impairment Reserve	10.13	10.13	11.72
Impairment on Loans	187.77	150.34	40.59
Lease Liability	4.58	3.63	0.20
<b>Total(A)</b>	<b>236.03</b>	<b>237.03</b>	<b>67.70</b>
<b>Deferred Tax Liabilities, on account of</b>			
Impact of Accrual adjustments on financial assets	-	38.50	27.10
Impact of EIR adjustments on financial liabilities	-	42.45	-
Upfront interest income on assignment transaction	138.42	71.65	-
Impact of Income Addition	-	0.96	-
Right of Use Asset	4.41	3.51	0.20
<b>Total(B)</b>	<b>142.83</b>	<b>157.07</b>	<b>27.30</b>
<b>Net Deferred Tax Assets (A) - (B)</b>	<b>70.73</b>	<b>79.96</b>	<b>40.40</b>

## 8 Property, Plant & Equipment

As at 31st March 2021

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Right of Use (ROU) Asset	Total
<b>Gross Block</b>								
As at 1st April 2020	339.66	119.58	48.56	81.53	124.21	18.50	19.96	752.00
Addition During the Year	-	-	15.07	10.22	4.00	3.05	13.04	45.38
Deduction/ Adjustments during the year	-	-	-	-	-	-	-	-
Reclassified to/ from held for sale	(97.38)	-	-	-	-	-	-	(97.38)
As at 31st March 2021	<b>242.28</b>	<b>119.58</b>	<b>63.63</b>	<b>91.75</b>	<b>128.21</b>	<b>21.55</b>	<b>33.00</b>	<b>700.00</b>
<b>Accumulated Depreciation/Amortisation</b>								
Up to 1st April 2020	-	5.82	22.43	12.91	38.79	5.84	6.03	91.82
For the Year	-	5.54	20.11	19.07	27.41	6.21	9.46	87.80
Adjustments during the year	-	-	-	-	-	-	-	-
Total up to 31st March 2021	-	<b>11.36</b>	<b>42.54</b>	<b>31.98</b>	<b>66.20</b>	<b>12.05</b>	<b>15.49</b>	<b>179.62</b>
<b>Net Block</b>								
As at 31st March 2021	<b>242.28</b>	<b>108.22</b>	<b>21.09</b>	<b>59.77</b>	<b>62.01</b>	<b>9.50</b>	<b>17.51</b>	<b>520.38</b>
As at 31st March 2020	339.66	113.76	26.13	68.62	85.42	12.66	13.93	660.18

As at 31st March 2020

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Right of Use (ROU) Asset	Total
<b>Gross Block</b>								
As at 1st April 2019	339.66	119.58	16.95	24.69	124.30	6.97	0.69	632.84
Addition During the Year	-	-	31.61	56.84	-	11.53	19.27	119.25
Deduction/ Adjustments during the year	-	-	-	-	(0.08)	-	-	(0.08)
As at 31st March 2020	<b>339.66</b>	<b>119.58</b>	<b>48.56</b>	<b>81.53</b>	<b>124.22</b>	<b>18.50</b>	<b>19.96</b>	<b>752.01</b>
<b>Accumulated Depreciation/Amortisation</b>								
Up to 1st April 2019	-	-	-	-	-	-	-	-
For the Year	-	5.82	22.43	12.91	38.79	5.84	6.03	91.82
Adjustments during the year	-	-	-	-	-	-	-	-
Total up to 31st March 2020	-	<b>5.82</b>	<b>22.43</b>	<b>12.91</b>	<b>38.79</b>	<b>5.84</b>	<b>6.03</b>	<b>91.82</b>
<b>Net Block</b>								
As at 31st March 2020	<b>339.66</b>	<b>113.76</b>	<b>26.13</b>	<b>68.62</b>	<b>85.43</b>	<b>12.66</b>	<b>13.93</b>	<b>660.19</b>
As at 31st March 2019	339.66	119.58	16.95	24.69	124.30	6.97	0.69	632.84

a) The Company has elected to measure all of its Property, Plant and Equipment at their previous GAAP carrying value on the date of transition to Ind AS (subject to adjustment for restoration liabilities). The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS as per previous GAAP was ₹ 838.03 lakhs and ₹ 205.88 lakhs, respectively)

b) Information regarding gross block of Property, plant and equipments and accumulated depreciation/amortisation under previous GAAP is as follows:

(₹ in lakhs)

Particulars	Gross block as at 01.04.2019	Accumulated depreciation as at 01.04.2019	Net block as at 01.04.2019 (Deemed Cost)
Freehold Land	339.66	-	339.66
Office and Guest House	158.92	39.34	119.58
Computers & peripherals	39.61	22.66	16.95
Furniture & Fixtures	49.49	24.80	24.69
Vehicles	230.47	106.17	124.30
Office Equipment	19.88	12.91	6.97
<b>Total</b>	<b>838.03</b>	<b>205.88</b>	<b>632.15</b>

## 9 Intangible Assets under Development

As at 31st March 2021

(₹ in lakhs)

Particulars	Software	Total
As at 1st April 2020	-	-
Addition During the Year	3.85	3.85
Capitalisation during the Year	-	-
As at 31st March 2021	<b>3.85</b>	<b>3.85</b>

As at 31st March 2020

(₹ in lakhs)

Particulars	Software	Total
As at 1st April 2019	-	-
Addition During the Year	-	-
Capitalisation during the Year	-	-
As at 31st March 2020	-	-

## 10 Intangible Assets

As at 31st March 2021		(₹ in lakhs)	
Particulars	Software	Total	
<b>Gross Block</b>			
As at 1st April 2020	12.82	12.82	
Addition During the Year	3.75	3.75	
Deduction/ Adjustments during the year	-	-	
As at 31st March 2021	<b>16.57</b>	<b>16.57</b>	
<b>Accumulated Depreciation/Amortisation</b>			
Up to 1st April 2020	9.70	9.70	
For the Year	2.63	2.63	
Adjustments during the year	-	-	
Total up to 31st March 2021	<b>12.33</b>	<b>12.33</b>	
<b>Net Block</b>			
As at 31st March 2021	<b>4.24</b>	<b>4.24</b>	
As at 31st March 2020	3.12	3.12	

As at 31st March 2020		(₹ in lakhs)	
Particulars	Software	Total	
<b>Gross Block</b>			
As at 1st April 2019	2.43	2.43	
Addition During the Year	3.90	3.90	
Deduction/ Adjustments during the year	-	-	
As at 31st March 2020	<b>6.33</b>	<b>6.33</b>	
<b>Accumulated Depreciation/Amortisation</b>			
Up to 1st April 2019	-	-	
For the Year	3.21	3.21	
Adjustments during the year	-	-	
Total up to 31st March 2020	<b>3.21</b>	<b>3.21</b>	
<b>Net Block</b>			
As at 31st March 2020	<b>3.12</b>	<b>3.12</b>	
As at 31st March 2019	2.43	2.43	

(a) As on transition to Ind AS, the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value. The Gross Block and Accumulated Amortisation as on the date of transition to Ind AS as per previous GAAP was ₹ 8.92 lakhs and ₹ 6.50 lakhs, respectively.

**11 Other non-financial assets**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Sales Tax Refundable	0.88	0.88	0.88
Balance with Revenue Authorities	22.50	9.70	27.18
Deposits with Govt authorities against Litigation	0.31	0.31	0.31
Deposit against Income Tax demand in Appeal	-	89.96	72.52
Prepaid Expenses	15.48	29.68	5.37
Trade Advance	7.05	2.33	-
Advance for Expense	4.74	-	-
Non- Current Asset held for sale	97.38	-	-
Capital Advances	-	-	33.99
Gold Coins	1.12	1.12	1.00
<b>Total</b>	<b>149.46</b>	<b>133.98</b>	<b>141.25</b>

**12 Debt Securities-At Amortised Cost**

(₹ In Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>Secured</b>			
Non Convertible Debentures	3,926.29	-	-
<b>Total</b>	<b>3,926.29</b>	<b>-</b>	<b>-</b>
Debt securities in India	3,926.29	-	-
Debt securities outside India	-	-	-
<b>Total</b>	<b>3,926.29</b>	<b>-</b>	<b>-</b>

12.1 Non convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% times of the amount outstanding.

**12.2 Details Of Redeemable Non-Convertible Debentures**

(₹ in lakhs)

ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
INE06WU07031 (Face Value ₹ 10 each)	19.11.2020	19.05.2022	50.00	12.43%	502.31	-	-
INE06WU07023 (Face Value ₹ 10 each)	04.09.2020	21.04.2023	100.00	11.50%	1,009.77	-	-
INE06WU07049 (Face Value ₹ 1 each)	31.03.2021	30.06.2023	2,000.00	14.23%	1,990.72	-	-
INE06WU07015 (Face Value ₹ 10 each)	14.07.2020	14.07.2023	50.00	12.26%	423.49	-	-
<b>Total</b>					<b>3,926.29</b>	<b>-</b>	<b>-</b>

**13 Borrowings (Other than Debt Securities)-At Amortised Cost**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>Secured</b>			
<b>Term loans</b>			
(i)From Banks	13,355.07	11,013.78	5,595.93
(ii)From Financial Institutions/NBFC	20,930.68	21,946.43	20,024.26
<b>Loans repayable on demand</b>			
Cash Credit from Banks	-	494.09	-
Overdraft Credit from Banks	0.01	1,690.42	642.50
<b>Unsecured Loan</b>			
Loans from Directors and related parties	756.95	899.00	891.50
Loans from others	130.00	215.08	150.22
<b>Total (A)</b>	<b>35,172.71</b>	<b>36,258.80</b>	<b>27,304.41</b>
Borrowings in India	35,172.71	36,258.80	27,304.41
Borrowings outside India	-	-	-
<b>Total (B)</b>	<b>35,172.71</b>	<b>36,258.80</b>	<b>27,304.41</b>

**13.2 Nature of Security**

1. Secured term loans from banks amounting to Rs. 13301.71 lakhs(P Y Rs. 10936.49 Lakhs) carry rate of of interest in the range of 9.65% to 14.50% p.a. The loans are having tenure of 3 to 7 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, Hirak Vinimay Pvt Ltd, & Dreamland Buildmart Private Limited
2. Secured term loans from banks amounting to Rs. 53.36 lakhs( P Y Rs. 77.29 Lakhs) carry rate of of interest in the range of 8.27% to 9.50% p.a. The loans are having tenure of 3 to 7 years from the date of disbursement and are repayable in monthly installments. Those loan are secured by hypothecation(exclusive charge) of vehicle owned by the Company.
3. Secured term loans from NBFC/FIs amount to Rs. 20803.94 lakhs (P Y Rs. 21659.34 Lakhs) carry rate of interest in the range of 6.85% to 16.00% p.a. The loans are having tenure of 2 years to 7.0 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, & Deepak Hitech Motors Pvt Ltd
4. Secured term loans from NBFC/FIs amount to Rs.126.74 lakhs( P Y Rs. 287.09 Lakhs) carry rate of interest in the range of 13.10% to 13.35% p.a. The loans are having tenure of 5 years to 10.0 years from the date of disbursement and are repayable in monthly installments. Those loan are secured by hypothecation(exclusive charge) of Property held by the company.
5. Overdraft borrowings from the bank amounting to Rs. 0.01 lakhs (P Y Rs. 1690.42 Lakhs) are secured by by the company, are repayable on demand and carry an interest as Interest Spread of 0.50-2.00% over and above Interest Rate on Underliened Fixed Deposit.
6. Cash Credit from the bank amounting to Rs. 0.00 lakhs (P Y Rs. 494.09 Lakhs) are secured by by the company, are repayable on demand and carry an interest ranging between 12.50-14.50%.Those cash credits are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors
7. The company has not defaulted in the repayment of dues to its lenders and the company have unsecured borrowings.

13.3 The company has not defaulted in the repayment of dues to its lenders.

**14 Other financial liabilities**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Commission Payable	13.15	11.47	48.67
Creditors for other Expenses	134.16	115.06	106.93
Cheque in Transit	1,363.06	482.43	2,610.22
Audit Fees Payable	4.16	3.15	3.15
Sum Payable for Direct Assignment/Securitisation	191.58	120.81	141.19
Lease Liability	18.21	14.42	0.69
Others Payables	40.13	42.81	44.37
<b>Total</b>	<b>1,764.45</b>	<b>790.15</b>	<b>2,955.22</b>

2,954.53

**15 Provisions**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>For Employee Benefits</b>			
Gratuity	35.16	29.94	22.55
<b>For others</b>			
Provision for Taxation (Net of Advance Tax)	254.26	24.15	145.99
Provision for undrawn loan commitment	0.32	1.85	0.51
<b>Total</b>	<b>289.74</b>	<b>55.94</b>	<b>169.05</b>

**16 Other non-financial liabilities**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Statutory Dues Payable	45.58	95.60	102.95
Advance against sale of Capital Assets	8.00	-	-
<b>Total</b>	<b>53.58</b>	<b>95.60</b>	<b>102.95</b>

**17 Equity Share Capital**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>Authorised</b>			
1,50,00,000 Equity Shares of par value ₹ 10/- Each (shares of ₹ 10/- each at 31st March 2020 & 1st April 2019)	1,500.00	1,500.00	1,500.00
<b>Issued, Subscribed and Fully Paid Up</b>			
Equity Shares of ₹ 10/- Each (shares of ₹ 10/- each at 31st March 2020 & 1st April 2019)	1,431.28	1,363.71	1,286.79
<b>Total</b>	<b>1,431.28</b>	<b>1,363.71</b>	<b>1,286.79</b>

**(a) The reconciliation of the Number of Shares Outstanding and the amount of Share Capital:**

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	136.37	128.68
Changes during the year	6.76	7.69
<b>Shares outstanding at the end of the year</b>	<b>143.13</b>	<b>136.37</b>

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

**(c) Details of shares in respect of each class in the company held by its holding company or its ultimate holding company**

There is not holding company of the company. However there is a parent company.

The parent company Starpoint Constructions Private Limited has held 24.23% shares in the company as at 31st March 2021. (31st March 2020 - 24.32%)

(d) Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Sulochana Sarees Private Limited	21,76,434	15.21%	21,76,434	15.96%
Hirak Vinimay Private Limited	26,18,985	18.30%	26,18,985	19.20%
Deepak Hitech Motors Private Limited	18,02,595	12.59%	17,08,000	12.52%
Starpoint Constructions Private Limited	34,67,580	24.23%	33,16,635	24.32%
Deepak Baid	10,38,231	7.25%	10,16,611	7.45%
Gatik Realcon Private Limited	13,52,510	9.45%	12,09,940	8.87%

18 Other Equity

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Securities Premium	4,725.20	4,292.75	3,869.67
Retained Earnings	3,024.18	2,177.05	1,372.20
Impairment Reserve	40.24	40.24	40.24
Statutory Reserve u/s 45-IC of RBI Act, 1934	745.65	533.87	332.66
<b>Total</b>	<b>8,535.27</b>	<b>7,043.91</b>	<b>5,614.77</b>

Nature, Purpose and Movement of Reserves

(i) Securities Premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
At the beginning and end of the year	4,292.75	3,869.67
Add : Additions during the year	432.45	423.08
<b>At the end of the year</b>	<b>4,725.20</b>	<b>4,292.75</b>

(ii) Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
At the beginning of the year	2,177.05	1,372.20
Add : Profit/(Loss) for the year	1,048.97	994.72
Add: Other Comprehensive Income	9.94	11.34
Less: Transfer to Reserves	(211.78)	(201.21)
<b>At the end of the year</b>	<b>3,024.18</b>	<b>2,177.05</b>

(iii) Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
At the beginning of the year	533.87	332.66
Add : Additions during the year	211.78	201.21
<b>At the end of the year</b>	<b>745.65</b>	<b>533.87</b>

(iv) Impairment Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' cannot be reckoned for regulatory capital. Further, no withdrawals is permitted from this reserve without prior permission from the Department of Supervision, RBI.

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
At the beginning of the year	40.24	40.24
Add : Additions during the year	-	-
<b>At the end of the year</b>	<b>40.24</b>	<b>40.24</b>





19 Interest Income (Measured at Amortised Cost)		(₹ in lakhs)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	
Interest on Loan	7,988.76	7,237.05	
Interest from Margin Money deposits	221.60	271.33	
Income from Securitisation	91.82	140.68	
Interest on Security Deposits	5.17	3.80	
Income on Derecognised (assigned) Loans	442.96	425.60	
<b>Total Interest Income</b>	<b>8,750.31</b>	<b>8,078.46</b>	

20 Fees and Commission Income		(₹ in lakhs)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	
File Processing Income	(1.62)	19.27	
Other Operating Income	108.24	132.19	
<b>Total Income</b>	<b>106.62</b>	<b>151.46</b>	

21 Net Gain/(Loss) On Fair Value Changes		(₹ in lakhs)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	
<b>Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)</b>			
<b>On trading portfolio</b>			
Mutual fund investment at FVTPL	19.97	6.61	
<b>Total Net gain/(loss) on fair value changes</b>	<b>19.97</b>	<b>6.61</b>	
<b>Analysis of fair value changes</b>			
Realised	19.96	6.61	
Unrealised	0.01	-	
<b>Total Net gain/(loss) on fair value changes</b>	<b>19.97</b>	<b>6.61</b>	

22 Other Income		(₹ in lakhs)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	
Income on Security deposits(rent)	0.11	0.06	
Rent Concession due to COVID 19	0.59	-	
<b>Total Other Income</b>	<b>0.70</b>	<b>0.06</b>	

23 Finance cost		(₹ in lakhs)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	
<b>Interest on financial liabilities (measured at amortised cost)</b>			
Borrowings	4,934.20	4,433.04	
Lease liability	1.63	1.44	
<b>Others</b>			
Bank charges	9.88	6.07	
Loss on derecognition of Financial Liabilities	1.52	-	
Loan Processing charges	3.31	7.81	
<b>Total Finance cost</b>	<b>4,950.54</b>	<b>4,448.36</b>	

**24 Impairment on financial instruments** (₹ in lakhs)

Particulars	For the year ended	For the year ended
	31st March 2021	31st March 2020
Loan Assets	63.93	542.55
Loan Assets Written off (net of recoveries)	96.63	89.96
<b>Total Impairment on financial instruments</b>	<b>160.56</b>	<b>632.51</b>

**25 Employee Benefit Expense** (₹ in lakhs)

Particulars	For the year ended	For the year ended
	31st March 2021	31st March 2020
Salary, Wages and Reimbursements	1,202.36	959.00
Contribution to Provident and other funds	42.90	32.98
Staff Welfare Expenses	11.84	17.15
Staff Conveyance Expenses	17.27	24.68
Gratuity	18.51	22.53
<b>Total Employee Benefit Expenses</b>	<b>1,292.88</b>	<b>1,056.34</b>

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 36 .

**26 Depreciation and amortisation expense** (₹ in lakhs)

Particulars	For the year ended	For the year ended
	31st March 2021	31st March 2020
Depreciation on Property, Plant & Equipment	87.80	91.82
Amortisation on Intangible Assets	2.63	3.21
<b>Total Depreciation and amortization expense</b>	<b>90.43</b>	<b>95.03</b>

**27 Other Expenses** (₹ in lakhs)

Particulars	For the year ended	For the year ended
	31st March 2021	31st March 2020
Rent, Rates and Taxes	82.21	81.98
Repair and Maintenance Expenditure	13.63	28.80
Printing & Stationery	10.36	13.02
Business/Sales Promotion Expenses	10.84	27.69
Rebate & Discount	1.97	0.34
Audit Fee (Refer Note 24.1 below)	7.50	3.50
Legal, Professional and Technical Charges	255.08	224.31
Postage, telegram & Telephone Expenditure	9.00	6.64
CSR Activities Expenses	21.69	14.11
Office & General Expense	44.53	37.70
R.T.O & Transfer Expense	1.70	8.35
Donations	2.32	8.11
Collection Expenses	16.78	21.82
Telecommunication Expenses	7.32	5.41
Vehicle Running & Maintenance Expenses	4.75	7.10
Interest under Income tax Act	0.69	22.75
Electricity Charges & Water Charges	14.69	11.63
Tours & Travelling Expenses	25.33	30.08
RoC Filing Fees	1.93	2.18
Stamp Duty Expenses	5.64	6.07
Insurance	12.31	7.73
Staff Training & other HR Related Expenses	6.39	3.68
Membership Fees	-	6.86
Reversal of GST Input	44.91	54.68
Miscellaneous Expenses	1.91	2.38
<b>Total Other expenses</b>	<b>603.48</b>	<b>636.92</b>

Rent expenses relate to the various short term leases accounted by applying practical expedient under Ind AS 116 - 'Leases'

**(a) The Payment To Auditors includes:-****(₹ in lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Audit fees	4.00	3.00
Tax Audit Fees	0.50	0.50
Limited review & Certifications	3.00	-
<b>Total</b>	<b>7.50</b>	<b>3.50</b>

**28 Earnings per Share (Ind AS 33)****(₹ in lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>(A) Basic Earnings per share</b>		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	1,048.97	994.72
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	139.74	132.55
<b>Basic EPS (i)/(ii)</b>	<b>7.51</b>	<b>7.50</b>
<b>(B) Diluted Earnings per share</b>		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	1,048.97	994.72
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	139.74	132.55
<b>Diluted EPS (i)/(ii)</b>	<b>7.51</b>	<b>7.50</b>

29 Maturity Analysis At March 31, 2021, March 31, 2020 & April 01, 2019

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at 31st March 2021			As at 31st March 2020			As at 1st April 2019		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
<b>I. ASSETS</b>									
<b>(1) Financial Assets</b>									
(a) Cash and Cash Equivalents	5,218.23	5,218.23	-	2,489.22	2,489.22	-	1,529.78	1,529.78	-
(b) Bank balance other than Cash and cash equivalents	1,286.47	1,151.74	134.73	2,793.05	2,658.32	134.73	2,877.53	2,742.80	134.73
(c) Loans	41,537.23	11,071.04	30,466.19	37,530.83	9,123.74	27,970.91	30,578.65	8,236.39	22,342.26
(d) Investments	101.22	101.22	-	-	-	-	-	-	-
(e) Other Financial Asset( to be specified)	2,281.51	984.70	1,296.81	1,917.76	375.11	1,671.12	1,630.31	363.44	1,266.87
<b>Total Financial Asset</b>	<b>50,424.66</b>	<b>18,526.93</b>	<b>31,897.73</b>	<b>44,730.86</b>	<b>14,646.39</b>	<b>29,776.76</b>	<b>36,616.27</b>	<b>12,872.41</b>	<b>23,743.86</b>
<b>(2) Non-financial Assets</b>									
(a) Deferred tax Assets (Net)	70.73	-	70.73	79.96	-	79.96	40.40	-	40.40
(b) Property, Plant and Equipment	502.87	-	502.87	646.26	-	646.26	632.15	-	632.15
(c) Right of Use Assets	17.51	-	17.51	13.93	-	13.93	0.69	-	0.69
(d) Intangible Assets under development	3.85	-	3.85	-	-	-	-	-	-
(e) Other Intangible Assets	4.24	-	4.24	3.12	-	3.12	2.43	-	2.43
(f) Other non-financial assets	149.46	49.76	99.70	133.98	131.66	2.32	141.25	105.07	36.18
<b>Total Non-financial Assets</b>	<b>748.66</b>	<b>49.76</b>	<b>698.90</b>	<b>877.25</b>	<b>131.66</b>	<b>745.59</b>	<b>816.92</b>	<b>105.07</b>	<b>711.85</b>
<b>Total Assets</b>	<b>51,173.32</b>	<b>18,576.69</b>	<b>32,596.63</b>	<b>45,608.11</b>	<b>14,778.05</b>	<b>30,522.35</b>	<b>37,433.19</b>	<b>12,977.48</b>	<b>24,455.71</b>
<b>II. LIABILITIES AND EQUITY</b>									
<b>Liabilities</b>									
<b>(1) Financial Liabilities</b>									
(a) Debt Securities	3,926.29	1,065.25	2,861.04	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	35,172.71	12,701.49	22,471.22	36,258.80	11,988.13	24,270.67	27,304.41	8,538.03	18,766.38
(c) Other Financial Liabilities	1,764.45	1,764.45	-	790.15	790.15	(0.00)	2,955.22	2,955.22	-
<b>Total Financial Liabilities</b>	<b>40,863.45</b>	<b>15,531.19</b>	<b>25,332.26</b>	<b>37,048.95</b>	<b>12,778.28</b>	<b>24,270.67</b>	<b>30,259.63</b>	<b>11,493.25</b>	<b>18,766.38</b>
<b>(2) Non- Financial Liabilities</b>									
(a) Provisions	289.74	289.74	-	55.94	55.94	-	169.05	169.05	-
(b) Other non-financial liabilities	53.58	53.58	-	95.60	95.60	0.00	102.95	102.95	-
<b>Total Non- Financial Liabilities</b>	<b>343.32</b>	<b>343.32</b>	<b>-</b>	<b>151.54</b>	<b>151.54</b>	<b>-</b>	<b>272.00</b>	<b>272.00</b>	<b>-</b>
<b>Total Liabilities</b>	<b>41,206.77</b>	<b>15,874.51</b>	<b>25,332.26</b>	<b>37,200.49</b>	<b>12,929.82</b>	<b>24,270.67</b>	<b>30,531.63</b>	<b>11,765.25</b>	<b>18,766.38</b>
<b>(3) EQUITY</b>									
(a) Equity Share capital	1,431.28	-	1,431.28	1,363.71	-	1,363.71	1,286.79	-	1,286.79
(b) Other Equity	8,535.27	-	8,535.27	7,043.91	-	7,043.91	5,614.77	-	5,614.77
<b>Total Equity</b>	<b>9,966.55</b>	<b>-</b>	<b>9,966.55</b>	<b>8,407.62</b>	<b>-</b>	<b>8,407.62</b>	<b>6,901.56</b>	<b>-</b>	<b>6,901.56</b>
<b>Total Equity and Liabilities</b>	<b>51,173.32</b>	<b>15,874.51</b>	<b>35,298.81</b>	<b>45,608.11</b>	<b>12,929.82</b>	<b>32,678.29</b>	<b>37,433.19</b>	<b>11,765.25</b>	<b>25,667.94</b>

30 Disclosure as per Ind AS 7 "Cash Flow Statement"

Cash and non-cash changes in liabilities arising from financing activities:

Year ended 31st March 2021

(₹ in lakhs)

Particulars	Unsecured Loan	Lease Liabilities	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at 1st April 2020	1,114.08	14.42	32,960.21	-	2,184.52	36,273.23
<b>Cash Flows</b>						-
Receipts/Payments	(227.13)	(9.12)	1,325.55	3,926.29	(2,184.51)	2,831.08
<b>Non-cash changes</b>						-
Creation of lease liabilities		12.91				12.91
Amortisation of Processing Fees						-
<b>As at 31st March 2021</b>	<b>886.95</b>	<b>18.21</b>	<b>34,285.76</b>	<b>3,926.29</b>	<b>0.01</b>	<b>39,117.22</b>

Year ended 31st March 2020

(₹ in lakhs)

Particulars	Unsecured Loan	Lease Liabilities	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at 1st April 2019	1,041.72	0.69	25,620.19	-	642.50	27,305.10
<b>Cash Flows</b>						-
Receipts/Payments	72.36	(5.29)	7,340.02		1,542.02	8,949.11
<b>Non-cash changes</b>						-
Creation of lease liabilities		19.02				19.02
Amortisation of Processing Fees						-
<b>As at 31st March 2020</b>	<b>1,114.08</b>	<b>14.42</b>	<b>32,960.21</b>	<b>-</b>	<b>2,184.52</b>	<b>36,273.23</b>

31 Disclosure as per Ind AS 12: Income Taxes

Income Tax Expense

(i) Income Tax recognized in the statement of profit and loss

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Current Tax expense</b>		
Current Year	429.82	395.30
Adjustment for earlier years	290.37	1.14
<b>Total current Tax Expense</b>	<b>720.19</b>	<b>396.44</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	9.23	(39.56)
Origination and reversal of carried forward losses	-	-
<b>Total Deferred Tax Expense</b>	<b>9.23</b>	<b>(39.56)</b>
<b>Total Income Tax Expense</b>	<b>729.42</b>	<b>356.88</b>

(ii) Income Tax recognized in other comprehensive income

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Net actuarial gains/(losses) on defined benefit plans</b>		
Before Tax	13.29	15.15
Tax expense / (benefit) recognized in OCI	(3.35)	(3.81)
Net of Tax	9.94	11.34

## (iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Profit before tax</b>	1,775.04	1,347.79
<b>Applicable Tax Rate</b>	25.17%	25.17%
<b>Computed tax expense</b>	<b>446.74</b>	<b>339.21</b>
Earlier Year tax	290.37	1.14
Effect on tax of Disallowances	54.48	91.62
Effect on tax of Deductions	(38.41)	(39.94)
Tax on other comprehensive income	(3.35)	(3.81)
Others	(44.92)	(31.33)
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>726.07</b>	<b>353.07</b>

## (iv) Deferred Tax Liabilities

The majority of the deferred tax balance represents effects of fair valuation of investments, differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

(₹ in lakhs)

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
<b>Deferred Tax Asset:</b>			
Impact of EIR adjustments on financial assets	-	48.69	-
Depreciation and Amortisation	18.47	14.84	8.47
Expenses deductible on payment basis	6.15	1.39	-
Provision for Employee benefits	8.85	7.54	6.57
Provision for Undrawn Loan Commitment	0.08	0.47	0.15
Impairment Reserve	10.13	10.13	11.72
Impairment on Loans	165.30	150.34	40.59
Leases	4.58	3.63	0.20
<b>(A)</b>	<b>213.56</b>	<b>237.03</b>	<b>67.70</b>
<b>Deferred Tax Liability:</b>			
Impact of Accrual adjustments on financial assets	-	38.50	27.10
Impact of EIR adjustments on financial liabilities	-	42.45	-
Upfront interest income on assignment transaction	138.42	71.65	-
Impact of Income Addition	-	0.96	-
Right of Use Asset	4.41	3.51	0.20
<b>(B)</b>	<b>142.83</b>	<b>157.07</b>	<b>27.30</b>
<b>Net Deferred Tax (Assets)/Liabilities (B) - (A)</b>	<b>70.73</b>	<b>79.96</b>	<b>40.40</b>

(₹ in lakhs)

Deferred tax balance (Asset)/Liability in relation to	As at 31-03-2021	Movement during the period	As at 31-03-2020	Movement during the period	As at 04-01-2019
Impact of EIR adjustments on financial assets	-	48.69	(48.69)	(48.69)	-
Depreciation and Amortisation	(18.47)	(3.62)	(14.84)	(6.37)	(8.47)
Expenses deductible on payment basis	(6.15)	(4.76)	(1.39)	(1.39)	-
Provision for Employee benefits	(8.85)	(1.31)	(7.54)	(0.97)	(6.57)
Provision for Undrawn Loan Commitment	(0.08)	0.39	(0.47)	(0.32)	(0.15)
Impairment Reserve	(10.13)	-	(10.13)	1.59	(11.72)
Impairment on Loans	(165.30)	(14.96)	(150.34)	(109.75)	(40.59)
Leases	(4.58)	(0.96)	(3.63)	(3.63)	(0.20)
Impact of Accrual adjustments on financial assets	-	(38.50)	38.50	11.40	27.10
Impact of EIR adjustments on financial liabilities	-	(42.45)	42.45	42.45	-
Upfront interest income on assignment transaction	138.42	66.77	71.65	71.65	-
Impact of Income Addition	-	(0.96)	0.96	0.96	-
Right of Use Asset	4.41	0.90	3.51	3.31	0.20
<b>Total</b>	<b>(70.73)</b>	<b>9.23</b>	<b>(79.96)</b>	<b>(39.56)</b>	<b>(40.40)</b>
<b>Recognised through:</b>					
Profit & Loss		5.88		(43.37)	
OCI		3.35		3.81	
		<b>9.23</b>		<b>(39.56)</b>	

### 32 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
A. Amount required to be spent during the year	21.69	13.82
B. Amount spent during the year on:		
a) Construction/Acquisition of any asset		
b) On purposes other than (a) above	21.69	14.11
C. Provision made	-	-

### 33 Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets

Particulars	Note	(₹ in lakhs)		
		As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>A. Contingent Liabilities</b>				
<b>Claims against the company not acknowledged as debt</b>				
Income Tax Demands	(a)	-	333.49	316.80
Corp Guarantee Given	(b)	400.00	-	-
		<b>400.00</b>	<b>333.49</b>	<b>316.80</b>
<b>B. Capital and other Commitments</b>				
<b>Others</b>				
The Company's capital commitments towards partially disbursed loans	(c)	1,742.70	926.39	847.66
		<b>1,742.70</b>	<b>926.39</b>	<b>847.66</b>

#### Notes-

- (a) During the Year, the company in view to settle all pending litigation with Income Tax Authority, has filled declaration under Vivaad se Vishvaas (VVS) Scheme and chosen to pay liability calculated under this act which pertains to FY 2011-12, 2013-14 & 2014-15. Accordingly, tax expense amounting to Rs. 284.84 lakhs admitted and shown as Earlier Year Taxes in Statement of Profit and Loss.
- Further the company has admitted the partial demand which remained for FY 2012-13 after considering the ITAT pronouncement. Accordingly, tax expense amounting to Rs. 11.38 lakhs admitted and shown as Earlier Year Taxes in Statement of Profit and Loss.
- (b) During the year, the company has extended its corporate guarantee to NM Financiers Private Limited for Rs. 200 Lacs and Jain Autofin Private Limited for Rs. 200 Lacs towards borrowings taken by Starpoint Constructions Private Limited
- (c) During the year the company has sanctioned loans to various customers. Some loan are partially disbursed and required to be fully disbursed if all basic requirements get fulfilled by the counterparty

### 34 Disclosure as per Ind AS 24: Related Parties

#### (A) Name of Related parties and nature of relationship

##### (a) Holding Company

1. Starpoint Constructions Private Limited

Holding more than 20% voting power

##### (b) Directors and Key Management Personnel

1. Deepak Baid
2. Anisha Baid
3. Prem Devi Baid
4. Surendra Mehta
5. Kishore Kumar Sansi
6. Anurag Jain
7. Piyush Somani

Managing Director  
Director  
Director  
Non-executive Independent Director  
Non-executive Independent Director  
Company Secretary  
Chief Financial Officer

##### (c) Relatives of Key Management Personnel

1. Aneasha Baid
2. Prem Devi Baid
3. Neha Somani

Wife of Deepak Baid  
Mother of Deepak Baid  
Wife of Piyush Somani



**(d)Enterprises in which Key Management Person and their Relatives are interested**

Dreamland Buildmart Private Limited  
 Deepak Hitech Motors Private Limited  
 Prem Dealers Private Limited  
 Champalal Distributors Private Limited  
 Deepak Baid- HUF  
 Tejkarani Baid & Sons HUF  
 Piyush Somani HUF

Deepak Baid and Prem Devi Baid is Director  
 Deepak Baid and Prem Devi Baid is Director  
 Prem Devi Baid is Director  
 Prem Devi Baid is Major Shareholder  
 Deepak Baid is karta  
 Deepak Baid is karta  
 Piyush Somani is karta

**(B) Transaction with the above related parties****(₹ in lakhs)**

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 1st April 2019
<b>Director Remuneration</b>			
Deepak Baid	140.00	120.00	72.00
Aneesha Baid	85.00	60.00	36.00
Prem Devi Baid	70.00	60.00	36.00
<b>Salary &amp; Allowances</b>			
Piyush Somani	18.12	16.83	1.29
Anurag Jain	6.22	3.46	2.46
Neha Somani	9.05	-	-
<b>Bonus</b>			
Deepak Baid	-	5.00	-
Aneesha Baid	-	2.50	-
Prem Devi Baid	-	2.50	-
Anurag Jain	-	0.14	0.10
Piyush Somani	-	-	-
<b>Legal &amp; Professional Fees</b>			
Piyush Somani HUF	3.50	-	-
Neha Somani	3.50	-	-
<b>Rent paid to</b>			
Deepak Baid	20.15	13.95	-
Aneesha Baid	6.50	4.50	-
Prem Devi Baid	2.60	1.80	-
<b>Unsecured Loan from</b>			
Aneesha Baid	259.00	545.83	712.50
Deepak Baid	1,382.74	1,790.96	1,523.80
Deepak Baid HUF	34.00	104.00	206.50
Prem Devi Baid	499.00	300.50	213.16
Tejkarani Baid & Sons HUF	13.00	-	9.00
Champalal Distributors Private Limited	182.40	259.77	55.10
Deepak Hitech Motors Private Limited	180.50	-	-
Prem Dealers Private Limited	11.00	-	-
Starpoint Constructions Private Limited	131.00	225.00	-
<b>Loan Repaid</b>			
Aneesha Baid	250.64	592.95	1,131.80
Deepak Baid	1,320.94	1,722.46	1,951.46
Deepak Baid HUF	180.59	334.10	557.29
Prem Devi Baid	648.24	257.25	425.77
Tejkarani Baid & Sons HUF	20.45	2.10	3.13
Champalal Distributors Private Limited	185.56	262.63	55.22
Deepak Hitech Motors Private Limited	180.66	-	-
Prem Dealers Private Limited	11.00	-	-
Starpoint Constructions Private Limited	131.98	227.75	-

<b>Interest on loan(expenses)</b>			
Aneesha Baid	10.76	29.48	85.60
Deepak Baid	32.29	37.47	76.77
Deepak Baid-HUF	13.82	35.35	90.05
Prem Devi Baid	46.81	91.31	83.66
Tejkaran Baid & Sons-HUF	1.78	2.55	1.83
Champalal Distributors Private Limited	3.41	3.17	0.12
Deepak Hitech Motors Private Limited	0.17	-	-
Prem Dealers Private Limited	0.03	-	-
Starpoint Constructions Private Limited	1.06	3.06	-

**(C) Outstanding Balances of the above related parties - Receivable/(Payable)**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>	<b>As at 1st April 2019</b>
<b>Unsecured Loan</b>			
Anisha Baid	115.13	96.82	117.40
Deepak Baid	293.69	202.02	107.74
Deepak Baid HUF	19.92	153.73	352.02
Prem Devi Baid	315.77	421.71	296.28
Shanti Prasad Chhajer HUF	-	6.46	-
Tejkaran Baid & sons HUF	12.45	18.25	18.06
<b>Salary Payable</b>			
Piyush Somani	-	0.15	-
<b>Advances to Staff</b>			
Anurag Jain	2.00	-	-

**(D) Compensation of KMP**

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>	<b>As at 1st April 2019</b>
Short Term Employee Benefits	328.39	270.43	147.85
<b>Total</b>	<b>328.39</b>	<b>270.43</b>	<b>147.85</b>

Remuneration does not include provision for gratuity and leave encashment and other defined benefits which are provided based on actuarial valuation on an overall Company basis.

**(E) Terms and Conditions of transactions with related parties**

All the transactions with these related parties are priced on an arm length's basis.

**35 Disclosure as per Ind AS 116: Leases**

The company lease primarily consist of leases for office premises. These agreements are generally renewable on mutually agreed terms.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 and during 2019-20 is 13.86 % and 2020-21 is 13.66%.

**Practical Expedients applied:**

1. The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.
2. The company has elected not to separate non-lease components from lease components, and account for the whole contract as a single lease component, in case of vehicles taken on lease.
3. On 24th July 2020, the MCA issued a notification as the Companies (Ind AS) Amendment Rules, 2020, which has come into force as on the date of publication. These amendments provide relief for lessees in the accounting for rent concessions granted as direct consequences of COVID-19. The Company have received the rental concession during the period April 2020 to July 2020 amounting to Rs. 0.59 lakhs (disclosed under "other income").

Leases		(₹ in lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020	
<b>(i) Movement of ROU Asset</b>			
Balance at beginning of the year	13.93	0.69	
Additions	13.04	19.27	
Deletions	-	-	
<b>Gross Carrying value of asset</b>			
Less: Depreciation of ROU Assets	(9.46)	(6.03)	
<b>Net carrying value/Balance at end of the year</b>	<b>17.51</b>	<b>13.93</b>	
<b>(ii) Movement of Lease Liabilities</b>			
Balance at beginning of the year	14.42	0.69	
Additions	12.91	19.02	
Finance cost accrued during the period	1.63	1.44	
Deletions	-	-	
Paid/ payable lease liabilities	(10.75)	(6.73)	
<b>Balance at end of the year</b>	<b>18.21</b>	<b>14.42</b>	
<b>(iii) Maturity Analysis of Lease Liability</b>			
Contractual undiscounted cashflows:			
Less than one year	20.62	10.75	
One to five years	-	20.62	
More than five years	-	-	
<b>Total undiscounted lease liability</b>	<b>20.62</b>	<b>31.37</b>	
<b>(iv) Lease liabilities included in the statement of financial position( p&amp;l)</b>			
Interest on lease liabilities	1.63	1.44	
Depreciation of ROU Assets	9.46	6.03	
Expenses related to short term leases	74.59	70.90	
<b>Total expense booked in p&amp;l</b>	<b>85.68</b>	<b>78.37</b>	

### 36 Disclosure as per Ind AS 19 ' Employee Benefits'

#### A) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. During the year company has recognised the following amounts in the statement of profit and loss account:

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Contributions to</b>		
Provident fund	31.00	22.73
Employee state insurance	11.90	10.24
<b>Total</b>	<b>42.90</b>	<b>32.97</b>

#### B) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary ) for each completed year of service subject to a maximum of ₹20 Lakhs on retirement, resignation, termination, disablement or on death, in accordance with Payment of Gratuity Act, 1972. Present value of gratuity obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The liability is unfunded.

## Statement of Assets and Liabilities for Gratuity as at 1st April 2019

(₹ in lakhs)

Particulars	Total
Defined benefit Obligation	22.55
Fair value of Plan Assets	-

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(i) Change in defined benefit obligation</b>		
Defined benefit obligation, beginning of the year	29.94	22.55
Current service cost	16.52	20.98
Interest cost	1.99	1.55
Past service cost	-	-
Benefits paid	-	-
Actuarial (gains)/losses	(13.29)	(15.15)
<b>Defined benefit obligation, end of the year</b>	<b>35.16</b>	<b>29.94</b>
<b>(ii) Net Liability/(Asset) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	35.16	29.94
Fair value of plan assets	-	-
<b>Net liability</b>	<b>35.16</b>	<b>29.94</b>
<b>(iii) Expenses recognized in Statement of Profit or Loss</b>		
Current service cost	16.52	20.98
Past Service cost	-	-
Interest cost	1.99	1.55
<b>Total Expense recognised in statement of profit or loss</b>	<b>18.51</b>	<b>22.53</b>
<b>(iv) Remeasurements recognized in other comprehensive income(OCI)</b>		
Changes in demographic assumptions	(22.57)	0.04
Changes in financial assumptions	2.74	(43.68)
Experience adjustments	6.54	28.49
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>(13.29)</b>	<b>(15.15)</b>
<b>(v) Maturity Profile of Defined Benefit Obligation</b>		
Year 1	0.23	0.06
Year 2	0.22	0.06
Year 3	0.28	0.10
Year 4	4.90	0.15
Year 5	8.93	1.61
Next 5 years	34.82	14.92
<b>(vi) Sensitivity Analysis for significant assumptions*</b>		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in salary escalation rate	4.63	7.43
1% decrease in salary escalation rate	(3.96)	(5.83)
1% increase in discount rate	(4.04)	(5.93)
1% decrease in discount rate	4.84	7.76
<b>(vii) Actuarial Assumptions</b>		
Discount rate (p.a.)	6.55%	6.88%
Salary Escalation Rate (p.a.)	10.00%	10.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	IALM (2012-14) Table Ultimate	
Attrition Rate	Varies between 10% p.a to 8% p.a. depending upon duration and age of the employees	Varies between 2% p.a to 1% p.a. depending upon duration and age of the employees

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\* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The expected contribution for defined benefit plan for the next financial year would be Nil.

According to the company policy, leave balances are not carried forward to next years and any balance of leave outstanding as at year end is lapsed, therefore there is no provision for leave encashment as at March 31, 2021 and March 31, 2020.

**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 :**

- a) Changes in Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- b) Salary increase risk - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- c) Life expectancy - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- d) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### **37 Disclosure as per Ind AS-107 'Financial Instruments'**

#### **Financial Risk Management**

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its sub committees including the Audit Committee, the Asset Liability Supervisory Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

**Company is exposed to following risk from the use of its financial instrument:**

- Credit Risk**
- Liquidity Risk**
- Market Risk**
- Concentration Risk**
- Interest Rate Risk**
- Operational Risk**

#### **(i) Credit risk**

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

#### **Loan Asset:**

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

#### Cash & Cash Equivalents, Bank Deposits & Other Financial assets:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/ financial institutions who have been assigned high credit rating by international and domestic rating agencies.

The Company held cash and cash equivalents of ₹5,218.23 , ₹2489.22 and ₹1529.78 lakhs on 31st March 2021 , 31st March 2020 and 1st April 2019 respectively and other deposits with banks and financial institutions of ₹ 1,286.47, ₹ 2793.05 and ₹2877.53 Lakhs on 31st March 2021, 31st March 2020 and 1st April 2019 respectively.

#### (ii) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Company is in retail lending business in western & central India.

Vehicle Finance segment (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 18-19 % of the loan book of the Company as of March 31, 2021 (18-19 % as of March 31, 2020). Portfolio is reasonably well diversified across 2 (P Y 2) states of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Tractors and Construction Equipment have sufficient portfolio share leading to well diversified product mix.

MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 79-80% approx of the lending book of the company as of March 31, 2021 (79-80 % approx as of March 31, 2020). Portfolio is diversified and distributed sufficiently between 3 states i.e. Rajasthan, Gujarat ,Madhya Pradesh.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2021.

#### Carrying amount of maximum credit risk as on reporting date

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss</b>			
Cash & Cash Equivalent	5,218.23	2,489.22	1,529.78
Bank balances other than cash and cash equivalents	1,286.47	2,793.05	2,877.53
Investments	101.22	-	-
Other Financial Asset	2,281.51	1,917.76	1,630.31
Loans	27,080.45	29,373.98	29,107.65
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss</b>			
Loans	14,456.78	8,156.85	1,471.00
<b>Total</b>	<b>50,424.66</b>	<b>44,730.86</b>	<b>36,616.27</b>

(iii) **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise 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 caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company manages liquidity risk by maintaining adequate cash and bank balances and access to undrawn committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
<b>As at 31st March 2021</b>					
Borrowings	0.01	13,766.73	21,864.39	3,467.89	39,099.02
Other Financial Liabilities	-	1,764.45	-	-	1,764.45
<b>Total</b>	<b>0.01</b>	<b>15,531.18</b>	<b>21,864.39</b>	<b>3,467.89</b>	<b>40,863.47</b>
<b>As at 31st March 2020</b>					
Borrowings	2,184.52	9,803.61	21,519.25	2,751.43	36,258.81
Other Financial Liabilities	-	790.15	-	-	790.15
<b>Total</b>	<b>2,184.52</b>	<b>10,593.76</b>	<b>21,519.25</b>	<b>2,751.43</b>	<b>37,048.96</b>
<b>As at 1st April 2019</b>					
Borrowings	642.50	7,895.53	16,301.07	2,465.32	27,304.42
Other Financial Liabilities	-	2,955.22	-	-	2,955.22
<b>Total</b>	<b>642.50</b>	<b>10,850.75</b>	<b>16,301.07</b>	<b>2,465.32</b>	<b>30,259.64</b>

(iv) **Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk. The objective of the company is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) **Interest Rate Risk**

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seeks to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth. Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest; thus, the company is not exposed to interest rate risk on loans.

## Interest Rate Exposure:

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
A. Fixed Rate Borrowings	24,446.64	26,713.29	22,323.82
B. Floating Rate Borrowings	14,652.38	10,335.67	4,980.60
<b>Total Borrowings</b>	<b>39,099.02</b>	<b>37,048.96</b>	<b>27,304.42</b>

**Fair Value Sensitivity analysis for Fixed rate -Instrument**

The Company does not account for any Fixed rate -Financial Asset and Financial Liabilities at Fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash Flow Sensitivity analysis for Variable rate -Instrument**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below

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

(₹ in lakhs)

Particulars	Year Ended 31st March 2021		Year Ended 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings (Floating)	14,652.38	14,652.38	10,335.67	10,335.67
Increase in basis points (+/- 1%)	(146.52)	(146.52)	(103.36)	(103.36)
Decrease in basis points (+/- 1%)	146.52	146.52	103.36	103.36

**(vi) Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

**38 Disclosure as per Ind AS 105 - Non- Current Asset held for Sale**

The Land of the company at gopalpura amounting to ₹97.38 Lakhs has been classified as held for sale as on Sep 1. 2020 and it is expected that the money from sale of asset will be realized.

**39 Capital Management**

For the purpose of Company's Capital Management, Capital includes issued equity share capital & Borrowings. The primary objective of Company's Capital Management is to maximize shareholder's value and to maintain an appropriate capital structure of debt and equity. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants. The company manages its capital using Debt to Equity Ratio which is Net Debt/ Total Equity. Net Debt is total borrowing (Non-current and current) less cash and cash equivalent.

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Borrowings	35,172.71	36,258.80	27,304.41
Less: Cash and Cash Equivalents	(5,218.23)	(2,489.22)	(1,529.78)
<b>Net Debt</b>	<b>29,954.48</b>	<b>33,769.58</b>	<b>25,774.63</b>
<b>Total Equity</b>	<b>9,966.55</b>	<b>8,407.62</b>	<b>6,901.56</b>
Net Debt to Equity Ratio	3.01	4.02	3.73



#### 40 Disclosure as per Ind AS 115 - Revenue from Contract with Customers

##### I. The company has recognised following amount related to revenue in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from contracts with customer	108.24	132.19
Revenue from other sources	0.70	0.06
<b>Total</b>	<b>108.94</b>	<b>132.25</b>

##### II. Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers by nature of primary geographical market, major product service lines and timing of revenue recognition for the years ended March 31, 2021 and March 31, 2020 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Primary geographical market</b>		
India	108.24	132.19
<b>Total</b>	<b>108.24</b>	<b>132.19</b>
<b>Major products/ service lines</b>		
File Login Income	50.33	25.49
Pre Closure Charges	2.34	61.44
Advertisement Income	38.70	35.40
Other Fees	16.87	9.86
<b>Total</b>	<b>108.24</b>	<b>132.19</b>
<b>Timing of revenue recognition</b>		
At a Point of Time	108.24	132.19
Over a period of time	-	-
<b>Total</b>	<b>108.24</b>	<b>132.19</b>

#### 41 Disclosure as per Ind AS 108: Operating Segments

a) The managing Director (MD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108 "Operating Segments". The Company's Operating segments are established in the manner consistent with the components of company that are evaluated regularly by the CODM. The company is engaged primarily in the business of financing and operates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns.

##### b) Geographical Information

The Company operates in a single geographical area - India (country of domicile).

All of the Company's non current assets are located in India

##### c) Information about major customers

During the year ended 31st march 2021 and 31st march 2020, there is no single customer contributes 10% or more to the Company's revenue.

#### 42 Collateral And Other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. MSME & LAP Loan are secured against immovable Property at the time of origination and Vehicle Loans are secured against Vehicles. The value of the property/Vehicle at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers. Security Interest in favor of the Company is created through deposit of title deed by equitable or registered Mortgage in case of Immovable Property and Registering Hypothecation in case of Vehicle

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after Settlement of outstanding debt by way of sale of collateral is returned to the borrower.

#### 43 Disclosure as per Ind AS-113 'Fair Value Measurements'

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

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

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

**Level 1-** Level 1 hierarchy includes financial instruments measured using quoted prices. This Includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

**Level 2-** The fair value of financial instruments that are not traded in active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3-** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

**Valuation Techniques :** The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and 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. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities.

#### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2021

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments		101.22		
<b>Total</b>	-	101.22	-	-

#### Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2020

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments		-		
<b>Total</b>	-	-	-	-

#### Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at April 1,2019

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments		-		
<b>Total</b>	-	-	-	-

**(a) Financial Instruments by category****(₹ in lakhs)**

Particulars	As at 31st March 2021		
	Level	Carrying Value	Fair Value
<b>Financial Assets at Amortised Cost</b>			
Cash and cash equivalents	3	5,218.23	5,218.23
Other Bank Balances	3	1,286.47	1,286.47
Loans	3	41,537.23	41,537.23
Other Financial Assets	3	2,281.51	2,281.51
<b>Financial Liabilities at Amortised Cost</b>			
Borrowings	3	35,172.71	35,172.71
Debt Securities	3	3,926.29	3,926.29
Other Financial Liabilities	3	1,764.45	1,764.45

**(₹ in lakhs)**

Particulars	As at 31st March 2020		
	Level	Carrying Value	Fair Value
<b>Financial Assets at Amortised Cost</b>			
Cash and cash equivalents	3	2,489.22	2,489.22
Other Bank Balances	3	2,793.05	2,793.05
Loans	3	37,530.83	37,530.83
Other Financial Assets	3	1,917.76	1,917.76
<b>Financial Liabilities at Amortised Cost</b>			
Borrowings	3	36,258.80	36,258.80
Other Financial Liabilities	3	790.15	790.15

**(₹ in lakhs)**

Particulars	As at 1st April 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets at Amortised Cost</b>			
Cash and cash equivalents	3	1,529.78	1,529.78
Other Bank Balances	3	2,877.53	2,877.53
Loans	3	30,578.65	30,578.65
Other Financial Assets	3	1,630.31	1,630.31
<b>Financial Liabilities at Amortised Cost</b>			
Borrowings	3	27,304.41	27,304.41
Other Financial Liabilities	3	2,955.22	2,955.22

**44 Disclosures regarding COVID-19 related measures:**

The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by World Health Organization on 11 March 2020, continues to spread across globe and in India. Globally countries and businesses were/are remained under lockdown. On 24 March 2020, the Government of India announced a 98 days lockdown during last financial year 2020-21. Recently Second Wave of COVID-19 is observed and certain measures i.e. lockdown, night curfew, weekend curfew, restriction on working hours etc. are imposed by state governments based on situation of infection rate and sources availability.

There is high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions. The Company holds care of potential impact of COVID-19 based on the information available now.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the lending institutions have been permitted to grant a moratorium of maximum period of three months on payment of all instalments and / or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 ('moratorium period') to eligible borrowers in accordance with the Board approved policy. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period. The period was further extended for a maximum period of three months on payment of all instalments and / or interest, as applicable, falling due between 1 June 2020 and 31 August 2020.

Subsequent to such circular, the company had approved loan moratorium policy in a Board meeting held on 31 March, 2020. The policy offers EMI moratorium to eligible customers based on request as well as on a suo-moto basis.

In accordance with the RBI guidelines relating to "Resolution Framework for COVID related stress" along with "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" dated Aug 6, 2020, the lending institutions have been permitted to do one time loan restructuring subject to conditions laid down in such circulars in eligible accounts based on request of customers in accordance with the Board approved policy. For all such accounts where the restructuring is affected, if any, the asset classification shall remain stand still until it makes a default after restructuring implementation.

According to such circular, the company had approved loan restructuring policy in a Board meeting held on Sep 1, 2020. The policy offers one-time loan restructuring in eligible customers based on request.

**Going Concern:**

The Company, at this juncture, is focused on capital preservation, balance sheet protection and operating expenses management. Given it's healthy capital adequacy, strong liquidity position, lower gross NPA and net NPA, diversified portfolio mix, granular geographical distribution and strong risk metrics, the company is confident of successfully dealing with challenges posed by COVID-19.

**45 Transfer Of Financial Assets**

Transferred financial assets that are not derecognized in their entirety

**Securitisation:**

During the year, The Company has transferred its receivables through securitisation agreement with a first loss default guarantee (FLDC) . The company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement.

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109. Financial Instrument prospectively for transactions occurring on or after the date of transition to Ind ASs .

As per Ind AS exemption, the Corporation has not reassessed the securitisation transactions entered before the transition date and the same is continued to be derecognised.

**Assignment Deal:**

After Date of Transition to Ind AS i.e 1st April 2019 ,the Company has sold some loans and advances measured at amortised cost as per assignment deals, 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 decognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

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

(₹ in lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Carrying value of derecognised financial asset	1,381.88	2,457.83
Gain from derecognition	442.91	421.13
<b>Total</b>	<b>1,824.79</b>	<b>2,878.96</b>

During the year, the company has done without recourse assigned loan receivables of 232 contracts (P.Y. 823 Contracts) amounting Rs. 1535.43 lakhs/- (P.Y Rs.3072.29 lakhs/-) with over collateral amount of Rs.1535.43 lakhs/-(P.Y. 6,14.45 lakhs/-) and de-recognized the assets from the books of Rs. 1381.88 lakhs/- (P.Y. Rs 2457.83 lakhs/-)

**46** Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/ disclosure.

## **47 First Time Adoption of Ind AS(Ind AS 101)**

### **I. Basis of Preparation**

These are the Company's first financial statements in accordance with Ind AS. For periods up to and including the year ended 31 March 2020, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2019 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2019 (the Company's date of transition). According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2021, the date of first-time preparation of financial statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 01, 2019 and the financial statements as at and for the year ended March 31, 2020 and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

### **II. Optional exemptions availed and mandatory exceptions**

In the Ind AS Opening Balance Sheet as at 1 April 2019, the carrying amounts of assets and liabilities from the previous GAAP as at 31 March 2019 are generally recognized and measured according to Ind AS in effect as on 31 March 2021. However for certain individual cases, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet: Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS.

#### **A Optional exemptions**

##### **(1) Deemed cost for property, plant and equipment and intangible assets:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets 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 after making necessary adjustments for de-commissioning liabilities. The Company has elected to continue with the carrying value of all of its property plant and equipment and intangible assets as recognised as of April 01, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### **(2) Leases**

Ind AS 116 requires an entity to assess whether an arrangement contains a lease at its inception. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS. The Company has elected to apply this exemption for such contracts/ arrangements.

The company has also elected to apply the following exemptions:

1. Measure Right of Use Assets on date of transition at an amount equal to the lease liability, adjusted by the amount of prepaid/accrued lease payments.
2. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
3. Elect not to recognise lease liability for leases for which the lease term ends within 12 months of the date of transition, and instead account for them as short term leases.
4. Exclude initial direct cost from the measurement of right of use assets.

#### **B Mandatory Exemptions**

##### **(1) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

##### **(2) Fair Value of Financial Assets and Liabilities:**

As per Ind AS exemption, the Corporation has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

##### **(3) Derecognition of financial assets and financial liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109. Financial Instrument prospectively for transactions occurring on or after the date of transition to Ind ASs. However an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to Financial Asset and Financial Liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the derecognition Principal of IND AS 109 from date of transition to Ind AS.

As per Ind AS exemption, the Corporation has not reassessed the securitisation / assignment transactions entered before the transition date and the same is continued to be derecognised.

##### **(4) Impairment of financial**

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2019.

### (5) 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. Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Corporation for the relevant reporting dates reflecting conditions existing as at that date. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required/made under previous GAAP:

- Impairment of financial assets based on expected credit loss model.
- Fair valuation of financial instruments carried at FVTPL
- Determination of discounted value for financial instruments carried at amortized cost

### III Reconciliation of Balance Sheet as at 31st March, 2020 and 1 April, 2019

(₹ in lakhs)

Particulars	Note	As per Previous GAAP* 1 April, 2019	Ind AS Adjustments	As per Ind AS 1 April, 2019	As per Previous GAAP* 31 March, 2020	Ind AS Adjustments	As per Ind AS 31 March, 2020
<b>I. ASSETS</b>							
<b>(1) Financial Assets</b>							
(a) Cash and Cash Equivalents		1,529.78	(0.00)	1,529.78	2,489.22	0.00	2,489.22
(b) Bank balance other than Cash and cash equivalents		2,877.53	-	2,877.53	2,793.05	-	2,793.05
(c) Loans	(h),(i),(f)	30,445.36	133.29	30,578.65	37,855.10	(324.27)	37,530.83
(d) Investments		-	-	-	-	-	-
(e) Other Financial Asset	(b),(g)	1,630.30	0.01	1,630.31	1,629.46	288.30	1,917.76
<b>Total Financial Assets</b>		<b>36,482.97</b>	<b>133.30</b>	<b>36,616.27</b>	<b>44,766.83</b>	<b>(35.97)</b>	<b>44,730.86</b>
<b>(2) Non-financial Assets</b>							
(a) Deferred tax Assets (Net)	(f)	67.35	(26.95)	40.40	102.69	(22.73)	79.96
(b) Property, Plant and Equipment	(d),(g)	632.15	0.69	632.84	646.26	13.93	660.19
(c) Intangible Assets under development		-	-	-	-	-	-
(d) Other Intangible Assets		2.43	-	2.43	3.12	0.00	3.12
(e) Other non-financial assets		141.25	0.00	141.25	133.97	0.01	133.98
<b>Total Non-financial Assets</b>		<b>843.18</b>	<b>(26.26)</b>	<b>816.92</b>	<b>886.04</b>	<b>(8.79)</b>	<b>877.25</b>
<b>Total Assets</b>		<b>37,326.15</b>	<b>107.04</b>	<b>37,433.19</b>	<b>45,652.87</b>	<b>(44.76)</b>	<b>45,608.11</b>
<b>II. LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
<b>(1) Financial Liabilities</b>							
(a) Debt Securities		-	-	-	-	-	-
(b) Borrowings (Other than Debt Securities)	(c)	27,304.42	(0.01)	27,304.41	36,427.49	(168.69)	36,258.80
(c) Other Financial Liabilities	(d)	2,954.53	0.69	2,955.22	775.73	14.42	790.15
<b>Total Financial Liabilities</b>		<b>30,258.95</b>	<b>0.68</b>	<b>30,259.63</b>	<b>37,203.22</b>	<b>(154.27)</b>	<b>37,048.95</b>
<b>(2) Non-Financial Liabilities</b>							
(a) Provisions	(j)	168.52	0.53	169.05	54.08	1.86	55.94
(c) Other non-financial liabilities		102.95	(0.00)	102.95	95.60	0.00	95.60
<b>Total Non-Financial Liabilities</b>		<b>271.47</b>	<b>0.53</b>	<b>272.00</b>	<b>149.68</b>	<b>1.86</b>	<b>151.54</b>
<b>Total Liabilities</b>		<b>30,530.42</b>	<b>1.21</b>	<b>30,531.63</b>	<b>37,352.90</b>	<b>(152.41)</b>	<b>37,200.49</b>
<b>(3) EQUITY</b>							
(a) Equity Share capital		1,286.79	-	1,286.79	1,363.71	-	1,363.71
(b) Other Equity		5,508.93	105.84	5,614.77	6,936.25	107.66	7,043.91
<b>Total Equity</b>		<b>6,795.72</b>	<b>105.84</b>	<b>6,901.56</b>	<b>8,299.96</b>	<b>107.66</b>	<b>8,407.62</b>
<b>Total Equity and Liabilities</b>		<b>37,326.14</b>	<b>107.05</b>	<b>37,433.19</b>	<b>45,652.86</b>	<b>(44.75)</b>	<b>45,608.11</b>

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

## IV. Reconciliation of Total Comprehensive Income for the period ended 31st March 2020

(₹ in lakhs)

PARTICULARS	Note	As per	Ind AS	As per Ind AS
		Previous GAAP*	Adjustments	
<b>Revenue from Operations</b>				
Interest Income	(g),(b),(a),(h)	7,712.54	365.92	8,078.46
Fees and commission Income	(a)	460.59	(309.13)	151.46
Net Gain/(Loss) On Fair Value Changes		6.61	-	6.61
<b>(I) Total Revenue from Operations</b>		<b>8,179.74</b>	<b>56.79</b>	<b>8,236.53</b>
<b>(II) Other Income</b>	(g)	-	0.06	0.06
<b>(III) Total Income (I+II)</b>		<b>8,179.74</b>	<b>56.85</b>	<b>8,236.59</b>
<b>(IV) Expenses:</b>				
Finance Costs	(d),(g), (c)	4,531.18	(82.82)	4,448.36
Impairment on financial instruments	(h)	307.13	325.38	632.51
Employee Benefits Expense	(e)	1,041.19	15.15	1,056.34
Commission Expenses	(a)	117.83	(98.18)	19.64
Depreciation & Amortisation Expense	(d)	89.00	6.03	95.03
Other Expenses	(d),(c)	728.09	(91.17)	636.92
<b>Total Expenses(IV)</b>		<b>6,814.42</b>	<b>74.39</b>	<b>6,888.80</b>
<b>(V) Profit/(Loss) before Exceptional Items &amp; Tax (III-IV)</b>		<b>1,365.32</b>	<b>(17.54)</b>	<b>1,347.79</b>
<b>(VI) Exceptional Items</b>		-	-	-
<b>(VII) Profit/(Loss) Before Tax (V-VI)</b>		<b>1,365.32</b>	<b>(17.54)</b>	<b>1,347.79</b>
<b>(VIII) Tax Expense:</b>				
Current Tax		395.30	-	395.30
Deferred Tax	(f)	(35.34)	(8.03)	(43.37)
Income Tax for Earlier Year		1.14	-	1.14
<b>Total Tax Expenses (VIII)</b>		<b>361.10</b>	<b>(8.03)</b>	<b>353.07</b>
<b>(IX) Profit/(loss) for the year (VII-VIII)</b>		<b>1,004.24</b>	<b>(9.51)</b>	<b>994.72</b>
<b>(X) Other Comprehensive Income</b>		-	-	-
<b>(A) Items that will not be reclassified to profit or loss</b>		-	-	-
- Remeasurement Gains/(Losses) on Defined Benefit Plans	(e)	-	15.15	15.15
- Income tax on above	(e)	-	(3.81)	(3.81)
Subtotal(A)	(e)	-	11.34	11.34
<b>(B) Items that will be reclassified to profit or loss</b>		-	-	-
Subtotal(B)		-	-	-
<b>(XI) Total Other Comprehensive Income for the year (A+B)</b>		-	11.34	11.34
<b>(XII) Total Comprehensive Income for the year (IX+XI)</b>		<b>1,004.24</b>	<b>1.82</b>	<b>1,006.06</b>
<b>Earnings per Equity Share:</b>				
Basic (in ₹)		7.58	(0.07)	7.50
Diluted (in ₹)		7.58	(0.07)	7.50
Nominal Value of Equity Shares		-	-	10.00
<b>Significant Accounting Policies</b>				

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

## V. Footnotes to the reconciliation of equity as at April 01, 2019 and March 31, 2020 and profit or loss for the year ended March 31, 2020

Particulars	Note	Reconciliation of equity		Reconciliation of Profit
		As at 31st March 2020	As at 1st April 2019	For the year ended 31st March 2020
<b>Total Equity (shareholder's fund) as per previous GAAP*</b>		8,299.96	6,795.73	
<b>Profit after tax as per IGAAP</b>				1,004.24
<b>Adjustments :</b>				
Impact on recognition of financial asset and liabilities at amortised cost by application of EIR				
(i) Financial Asset	(a)	(193.45)	-	(193.45)
(ii) Financial Liability	(c)	168.69	-	168.69
Income accrued on stage III ( Impaired Asset)	(i)	279.57	123.29	156.27
Impact on application of ECL method for loan loss provision				
Reversal of old Accrued Interest	(i)	(126.58)	(30.24)	(96.34)
Impact on derecognition of loan sold under Direct Assignment	(b)	284.70	-	284.70
Creation of Impairment Reserve	(h)	40.24	40.24	-
ECL on Financial Assets	(h)	(325.90)	(0.51)	(325.39)
Reversal of unamortised income on derecognised asset				
Impact of recognition of Interest - free Security deposit initially recognised at amortised cost	(g)	3.61	-	3.61
Impact of Recognition of Lease Liability and Right of Use Asset	(d)	(0.49)	-	(0.49)
Deferred Tax Adjustments		(22.73)	(26.95)	4.22
<b>Total Ind AS Adjustment</b>		<b>107.64</b>	<b>105.83</b>	<b>1.81</b>
<b>Total as per Ind AS</b>		<b>8,407.62</b>	<b>6,901.56</b>	<b>1,006.06</b>

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

**VII. Impact of Ind AS adoption on Statement of Cash Flows for the year ended on 31 March, 2020**

Particulars	As per Previous GAAP*	Ind AS Adjustments	As per Ind AS
Net cash Flow from operating activity	(6,602.81)	(1,781.36)	(8,384.17)
Net cash Flow from investing activity	(103.80)	(0.25)	(104.05)
Net cash Flow from financing activity	7,666.05	1,781.61	9,447.66
<b>Net increase/(decrease) in cash and cash equivalents during the year</b>	<b>959.44</b>	<b>-</b>	<b>959.44</b>
Cash and cash equivalents at the beginning of the year	1,529.78	(0.00)	1,529.78
<b>Cash and cash equivalents at end of the year</b>	<b>2,489.22</b>	<b>0.00</b>	<b>2,489.22</b>

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

**VIII. Notes to First time adoption**

**(a) Loans and Advances**

Under Indian GAAP, transaction costs incurred in connection with loans and advances was amortised upfront and was charged to profit or loss for the year. Under Ind AS, transaction costs was included in the initial recognition amount of financial asset measured at amortised cost and was charged to profit or loss using the effective interest method.

**(b) Other Financial Assets**

Under Ind AS, with respect to assignment deals, the Company has recognised an interest only strip receivable with corresponding credit to statement of profit and loss has been computed by discounting excess interest spread (EIS) to present value and has amortised the asset during the year, necessary adjustments to credit risk has also been made.

**(c) Debt securities, Borrowings (other than debt securities)**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period and charged to statement of profit and loss. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and additional interest was charged to statement of profit and loss using the effective interest method.

**(d) Leases**

Under Ind AS, Right of Use Assets and Lease Liabilities (Under other Financial Liabilities) have been created and were classified as operating lease under previous GAAP. Accordingly other expenses (rent) have reduced, finance cost increased and depreciation also increased.

**(e) Defined Benefit Liabilities:**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability) are recognised through Other Comprehensive Income instead of Profit or Loss.

**(f) Deferred Tax**

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP. In addition, the various transitional adjustments discussed above lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

**(g) Interest Free Security deposits**

The Company has given interest free security deposit for branches taken on lease. Such deposits have been fair valued under Ind AS. Also, the difference between carrying value as per IGAAP and INDAS is booked as a part of ROU Asset. The profit and loss account is credited under the head Other income and debited under depreciation of ROU Asset.

**(h) Recording of impairment as per Expected Credit Loss ("ECL")**

(i) Under Indian GAAP, Non performing Assets ("NPA") provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on ECL model. Under ECL, the Company impaired its loans to customers which has been eliminated against retained earnings. This has resulted in an additional impairment provision on the date of transition to Ind AS the impact of which was taken to retained earnings. Additional of impairment has been taken to the statement of Profit and loss account.

(ii) Under Indian GAAP, NPA provision along with Standard asset provision has been disclosed under Provisions. Under Ind AS the ECL provision has been adjusted against loan balance.

**(i) Interest income on NPA**

Under Indian GAAP, interest income on NPA was recognised on cash basis. However, under Ind AS interest income is recognised on credit impaired assets by applying the EIR on amortised cost of such assets net off ECL. As a result of recording interest income on NPA, the retained earnings as on transition date has increased. The impact for the year has been taken to Profit and loss.

**(j) Undrawn Loan Commitment**

For ECL on Undrawn Loan Commitment, there has been a decrease in retained earnings and the impact (gross of interest expenses) taken to profit and loss.



48 Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2020 is Nil. (as on March 31, 2019 is Nil). The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

49 Details Of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings During The Year

Year ended 31st March 2021

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2020-21	2019-20
Bank Loan rating	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+	BBB+
Bank Loan rating	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+	-
Term Loan rating	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+	BBB+
Term Loan rating	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+	-
Non-Convertible Debentures	Acuite Ratings & Research Limited	May 07, 2021	May 06, 2022	BBB+	-
Non-Convertible Debentures	Brickworks Ratings (India) Private Limited	March 31,2021	March 31,2022	BBB+	-
As at 31st March 2021		-	-	-	-

50 Disclosure on Liquidity Risk:

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

Number of Significant Counterparties	Amount (₹ In Lakhs)	% of Total deposits	% of Total Liabilities
49	39,099.00	0%	94.88%

2. Top 20 large deposits (amount in ₹ lakhs and % of total deposits) : Nil

3. Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

Amount (₹ in Lakh)	%
25,245.99	64.57%

4. Funding Concentration based on significant instrument/product :

Name of the instrument/ product	Amount (₹ lakh)	% of Total Liabilities
a) Term Loan	34,285.75	83.20%
b) Non-Convertible Debenture	3,926.29	9.53%
c) Cash Credit	0.01	0.00%
d) Unsecured Loans	886.95	2.15%
<b>Total</b>	<b>39,099.00</b>	<b>94.88%</b>

5. Stock Ratios:

Particulars	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	NA	Nil	Nil
b) Non-convertible debentures (original maturity of less than one year)	NA	Nil	Nil
c) Other short-term liabilities, if any	NA	5.12%	4.12%

6. Laxmi India Finleaseap Private Limited (LIFC) has an Assets Liability Supervisory Committee (ALCO), a Board level sub-Committee to oversee liquidity risk management. ALCO consists of Managing Director, Executive Director and Chief Financial Officer. The ALCO Meetings are held once in 3 months. LIFC has a Risk Management Committee (RMC) a sub-committee of the Board, which oversee overall risks to which the company s exposed including risk management. The ALCO and RMC also updates the Board at regular intervals.

51 Capital Adequacy Ratio

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Tangible Net worth(1)	9,966.55	8,407.62
Less: Deferred Tax Asset, Intangible Assets, Unrealised Gain(Net of Tax) and 50% of Credit Enhancement (2)	557.76	363.48
Tier 1 Capital (1-2)= (3)	9,408.79	8,044.14
Tier 2 Capital (Provision on Asset less 50% of Credit Enhancement) (4)	504.18	446.20
Total Capital Fund (3+4)= (5)	9,912.97	8,490.33
Adjusted value of funded risk assets (on balance sheet item) (6)	45,323.40	40,917.99
Adjusted value of non-funded risk assets (off Balance sheet item) (7)	400.00	166.74
Total Risk Weighted assets (6+7)= (8)	45,723.40	41,084.73
<b>CRAR/CAR(5/8)</b>	<b>21.68%</b>	<b>20.67%</b>

52 **Details Of The Code On Social Security, 2020 ('Code') Relating To Employee Benefits**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53 **NPA Movement**

Particulars	As at 31st March 2021
<b>Net NPA's to Net Advance %</b>	<b>2.97%</b>
<b>Movement of NPAs (Gross)</b>	
Opening Balances	2,633.48
Add: Additions during year and change in existing	766.65
Less: Reductions during year	(1,998.42)
Closing Balance	1,401.71
<b>Movement of NPAs (Net)</b>	
Opening Balances	2,465.07
Add: Additions during year	664.58
Add: Reductions during year	(1,872.11)
Closing Balance	1,257.54
<b>Movement of provision for NPAs</b>	
Opening Balances	168.41
Provision made during the year	102.07
Write-off/ Write back of excess	(126.31)
Closing Balance	144.17

54 **Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines On securitisation transactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012.**

Particulars	₹ In Lakhs	
	As at 31st March 2021	As at 31st March 2020
1. No of SPVs sponsored by the NBFC for securitisation transactions	1	1
2. Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,188.16	1,615.45
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
· First loss	Nil	Nil
· Others	Nil	Nil
b) On-balance sheet exposures		
· First loss	134.73	134.73
· Others	314.36	314.36
4. Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
· First loss	Nil	Nil
· loss	Nil	Nil
ii) Exposure to third party securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil
b) On-balance sheet exposures		
i) Exposure to own securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil
ii) Exposure to third party securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil

55 **Disclosure In The Notes To Accounts In Respect Of Assignment Transactions As Required Under Revised Guidelines On Securitisation Transactions Issued By RBI Vide Circular No. Dnbs.Pd.No.301/3.10.01/2012-13 Dated 21.08.2012.**

Particulars	₹ in lakhs	
	As at 31st March 2021	As at 31st March 2020
1. No of SPVs sponsored by the NBFC for assignment transactions	Nil	Nil
2. Total amount of assigned assets as per books of the SPVs sponsored by the NBFC	3,598.45	2,743.53
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of		
a) Off-balance sheet exposures		
· First loss	Nil	Nil
· Others	Nil	Nil
b) On-balance sheet exposures		
· First loss	Nil	Nil
· Others	582.81	548.71
4. Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
· First loss	Nil	Nil
· loss	Nil	Nil
ii) Exposure to third party securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil
b) On-balance sheet exposures		
i) Exposure to own securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil
ii) Exposure to third party securitisations		
· First loss	Nil	Nil
· Others	Nil	Nil

56 In accordance with the RBI notification dated April 7, 2021 the company is required to refund/adjust 'Interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Bank's Association. The company has recorded the liability towards estimated interest relief of Rs. 0.40 Lacs and reduced the same from the interest income.

(₹ in lakhs)

Particulars	As at 31st March 2021
1. Respective amounts in SMA/ overdue categories, where the moratorium / deferment was extended, in terms of paragraph 2 and 3 of the above circular	11,379
2. Respective amount where asset classification benefits is extended.	6,831
3. Provisions made on the cases where asset classification benefit is extended	683
4. Provisions adjusted during the respective accounting periods against slippages	55
5. Provisions written back on getting performance improvement of asset	628
6. Residual provisions remained at end of Financial Year	-

The company had made sufficient provision on standard assets where asset classification benefit was extended in compliance of RBI Circular over Moratorium granted during Mar 1,2020 to Aug 31,2020. In case of slippage the company adjusted the provisions to the extent available on case basis. Further looking to improvement in performance of loan accounts, the company has written back the provision amount of the respective accounts.

\*Figures As per Irac Norms

60 Disclosure as required under RBI notification no.RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 on "Resolution Framework for COVID-19-related Stress":

Type of borrower (A)	(A)	(B)	(C)	(D)	(E)
	No's of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Add. funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

61 Disclosure as required under RBI notification no.RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020 on "Micro, Small and Medium Enterprises

No. of accounts restructured	Amount (₹ in Lakhs)
-	-

62 **Exposure to Capital Market**

The Company has no exposure to capital market as on March 31, 2021 and March 31, 2020

63 **Details of penalties imposed by RBI and other regulators:**

No penalties have been imposed by RBI and other regulators on the Company during the current and previous year.

64 **Schedule to the balance sheet of a Non-Deposit Taking Non-Banking Financial Company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

Particulars	Amount outstanding	Amount overdue
<b>Liabilities side</b>		
<b>1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>		
a) Debentures (other than falling within the meaning of public deposits*)		
: Secured	3,926.29	-
: Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	34,285.76	-
d) Inter-corporate loans and borrowing	130.00	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (specify nature)	756.95	-
(Unsecured Loan from Director & Relatives)		
<b>2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid :</b>		
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	-	-
<b>Assets side</b>		
<b>3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		<b>Amount outstanding</b>
a) Secured		41,191.21
b) Unsecured		1,092.10
<b>4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		-
a) Financial lease		-
b) Operating lease		-
(ii) Stock on hire including hire charges under sundry debtors :		-
a) Assets on hire		-
b) Repossessed Assets		-
(iii) Other loans counting towards asset financing activities		-
a) Assets on hire		-
b) Repossessed Assets		-
<b>5. Break-up of Investments</b>		
Current Investments		
1. Quoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		101.22
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Long Term Investments		
1. Quoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

**6. Borrower group-wise classification of assets financed as in (3) and (4) above :**

Category	Amount(Net of Provisions)		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than Related Parties	41,191.21	1,092.10	42,283.32
<b>Total</b>	<b>41,191.21</b>	<b>1,092.10</b>	<b>42,283.32</b>

**7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than Related Parties	101.22	101.22
<b>Total</b>	<b>101.22</b>	<b>101.22</b>

**8. Other Information**

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	1,401.71
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	1,257.54
iii) Assets acquired in satisfaction of debt	-

## ASSET LIABILITY MANAGEMENT MATURITY PATTERN(ALM)

As on 31st March 2021

(Rs in Lacs)

Particulars	1 day To 31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
<b>Asset</b>								
Advances	901.22	892.48	882.77	2,614.32	5,780.25	11,341.80	12,030.59	7,093.80
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	528.47
Investments	-	101.22	-	-	-	-	-	-
Cash & bank	3,209.22	999.78	1,006.40	411.78	742.77	134.73	-	-
other assets	67.72	37.75	34.39	547.95	346.66	903.80	441.56	139.21
<b>Total</b>	<b>4,178.16</b>	<b>2,031.23</b>	<b>1,923.56</b>	<b>3,574.05</b>	<b>6,869.68</b>	<b>12,380.33</b>	<b>12,472.15</b>	<b>7,761.48</b>
<b>Liabilities</b>								
Borrowings	1,379.72	1,289.33	1,180.06	3,376.29	6,541.34	11,760.56	10,109.00	3,462.71
Other Liabilities	1287.43	420.43	358.42	41.47	0	0	0	0
<b>Total</b>	<b>2,667.15</b>	<b>1,709.76</b>	<b>1,538.48</b>	<b>3,417.76</b>	<b>6,541.34</b>	<b>11,760.56</b>	<b>10,109.00</b>	<b>3,462.71</b>
<b>Difference</b>	<b>1,511.01</b>	<b>321.47</b>	<b>385.08</b>	<b>156.29</b>	<b>328.34</b>	<b>619.77</b>	<b>2,363.15</b>	<b>4,298.77</b>
<b>Cumulative Mix</b>	<b>1,511.01</b>	<b>1,832.48</b>	<b>2,217.56</b>	<b>2,373.85</b>	<b>2,702.19</b>	<b>3,321.96</b>	<b>5,685.11</b>	<b>9,983.88</b>
							<b>Equity</b>	<b>9,983.88</b>

## 66 Revision of Accounting Statements on account of Adoption of Indian Accounting Standards of previous year

The Company got its debt securities listed on stock exchange during Financial Year 2020-21 and accordingly the company was liable to prepare its accounts as per Ind-AS from Financial Year 2020-21 as per Notification No. RBU20L9-201170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20. Non-Banking Financial Companies (NBFCs) are covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 ,

However the board of directors of the company have approved the financials statement which were prepared in accordance with Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with relevant provisions of the Companies Act, 2013 ("the Act") and Rule 7 of the Companies (Accounts) Rules, 2014.

The Statutory auditor of the company have issued the audit report with modified opinion by giving the following qualification in audit report dated May 31, 2021. Further, the Company followed the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India for Non-Systematically Important Non-Banking Financial Company (NBFC-ND-NSI).

### " Qualified Opinion

*We have audited the Standalone financial statements of Laxmi India Finleasacap Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, and statement of cash flows 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows for the year ended on that date.*

### Basis for Qualified Opinion

*Refer Note No. 2.1 of Notes to the annual financial results regarding implementation of Indian Accounting Standards, The Company got its debt securities listed on stock exchange during Financial Year 2020-21 and accordingly the company was liable to prepare its accounts on Ind-AS from Financial Year 2020-21 as per Notification No. RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20. Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015*

*Subsequent to Companies (Amendment) Act, 2020; MCA has further notified Companies (Specification of definitions details) Second Amendment Rules, 2021 on Feb 19,2021 amending the definition of listed companies and the company has opted to defer Ind-AS implementation upto date when the company's net worth crosses the requisite limit. However, the said amendment is effective from 1st April 2021."*

In order to comply with the afforsaid regulatory requirement and to remove the qualifications as given by the statutory auditors, the managment has now prepared these financial statements in accordance with Indian Accounting Standards and the earlier General Purpose Financial Statements prepared under IGAAP, which were approved by the board in its meeting dated 31st May 2021 stands withdrawn on approval of these financial statements.

As per our Report of even date attached

**For, A. Bafna & Company**

Chartered Accountants

Firm Registration No.-003660C

Sd/-

**CA Vivek Gupta**

Partner

Membership No.-400543

Place: Jaipur

Date: Dec 28, 2021

For and on Behalf of the Board of Directors of

**Laxmi India Finleasacap Private Limited**

Sd/-

**Deepak Baid**

Managing Director

DIN: 03373264

Sd/-

**Aneesha Baid**

Director

DIN: 07117678

Sd/-

**Piyush Somani**

Chief Financial Officer

Sd/-

**Gajendra S Shekhawat**

Company Secretary